NO. [redacted]50

IN THE

Supreme Court of the United States

THE PETITION OF L. A. WESTERMANN COMPANY FOR A WRIT OF CERTIORARI DIRECTED TO THE CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT, TO BRING BEFORE THE SUPREME COURT THE CASE OF L. A. WESTERMANN COMPANY,

Petitioner,

vs.

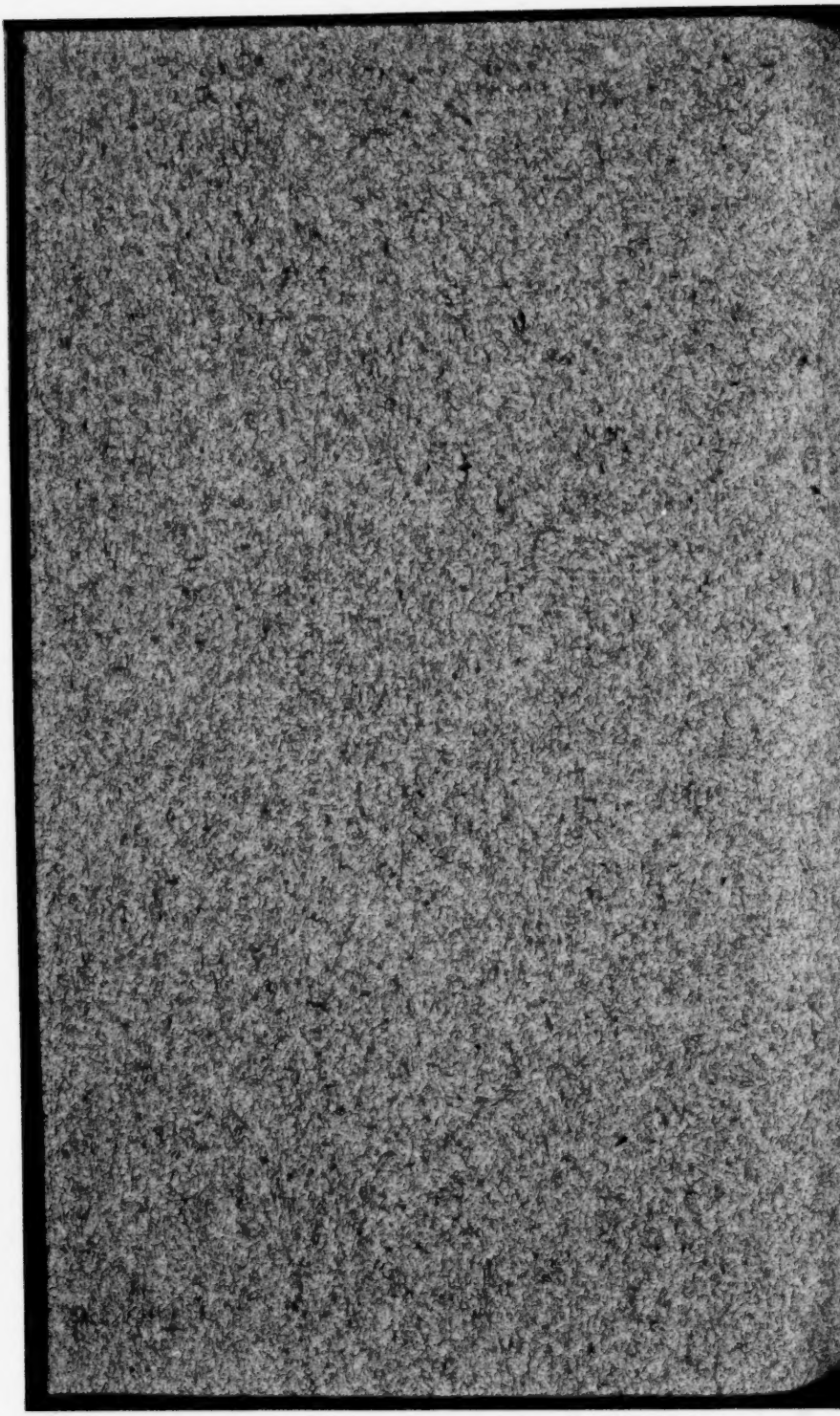
THE DISPATCH PRINTING COMPANY,

Respondent.

PETITION FOR WRIT OF CERTIORARI AND BRIEF IN SUPPORT OF SAME

CURTIS G. WILLIAMS,
SIMEON NASH,
Attorneys for Petitioner.

F. H. TOOTHAKER, Law Printer, 19-21 N. Third St., Columbus, Ohio.



IN THE

Supreme Court of the United States

THE PETITION OF L. A. WESTERMANN COMPANY FOR A WRIT OF CERTIORARI, DIRECTED TO THE CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT, TO BRING BEFORE THE SUPREME COURT THE CASE OF L. A. WESTERMANN COMPANY,

Petitioner,

vs.

THE DISPATCH PRINTING COMPANY,

Respondent.

To the Supreme Court of United States of America:

The said petitioner respectfully shows to this court as follows:

I. The petitioner, L. A. Westermann Company, was at the time of the commencement of this suit, and now is, a corporation duly organized and existing under the laws of the state of New York, and a citizen of that state; and the respondent, The Dispatch Printing Company, was at that time and now is a corporation of the state of Ohio, having its principal place of business in the city of Columbus.

II. The Dispatch Printing Company was during all the times hereinafter mentioned and now is, engaged in the publication of a daily newspaper printed and published in the city of Columbus, Ohio, and having a large circulation throughout said city of Columbus and said state of Ohio and in the publication of said newspaper said company received and published for profit numerous advertisements.

III. L. A. Westermann Company during all such times was engaged in the business of designing and vending under the protection of lawful copyrights suitable and appropriate prints and pictorial illustrations to be used by such milliners and merchants as might secure from it the right so to do in advertising their business; and by reason of the skill and artistic sense employed by it in its said business and by large expenditures of money and efforts in making known to its customers the advantages of such prints it had built up a successful and profitable business in that line, the success and profit of which however, was and is wholly dependent upon the protection and right afforded it and the fruits of its industry and skill under the copyright laws; and as a part of said business it designed and executed certain prints and pictorial illustrations, hereinafter specifically described, for the purpose aforesaid, and secured copyrights thereon in conformity with the statutes in that respect by publication thereof with a notice of copyright in due form affixed to each copy thereof and promptly depositing in the copyright office at Washington, D. C., two complete copies of each of said prints and pictorial illustrations and the register of copyrights did thereupon issue to it a certificate of copyright registration of said prints and pictorial illustrations as required by law.

That one of the prints and pictorial illustrations so copyrighted by it is entitled "Intrigue," and the date of its publication as aforesaid is September 1, 1911, its entry Class K, XXc, No. 28861, and copies thereof were delivered to and received by the register of copyrights on September 11, 1911, and he thereupon issued to it its certificate of copyright registration as required by law.

Another of the prints and pictorial illustrations so copyrighted by the petitioner is entitled "Irene," and the date of its publication as aforesaid is September 1, 1911, its entry Class K, XXc, No. 28864, and copies thereof were delivered to and received by the register of copyrights on September 11, 1911, and he thereupon issued to it its certificate of copyright registration as required by law.

Another of the prints and pictorial illustrations so copyrighted by the petitioner is entitled "Impact" and the date of its publication as aforesaid is September 1, 1911, its entry Class K, XXc, No. 28845, and copies thereof were delivered to and received by the register of copyrights on September 11, 1911, and he thereupon issued to L. A. Westermann Company its certificate of copyright registration as required by law.

Another of the prints and pictorial illustrations so copyrighted by the petitioner is entitled "Hake," and the date of its publication as aforesaid is August 15, 1911, its entry Class K, XXc, No. 27945, and copies thereof were delivered to and received by the register of copyrights on August 16, 1911, and he thereupon issued to it its certificate of copyright registration as required by law.

Another of the prints and pictorial illustrations so copyrighted by the petitioner is entitled "Hack," and the date of its publication as aforesaid is August 15, 1911, its entry class K XXc, No. 27975, and copies thereof were delivered to and received by the register of copyrights on August 16, 1911, and he thereupon issued to it its certificate of copyright registration as required by law.

Another of the prints and pictorial illustrations so copyrighted by the petitioner is entitled "Jury," and the date of its publication as aforesaid is September 19, 1911, its entry Class K XXc, No. 29789, and copies thereof were delivered to and received by the register of copyrights on September 27, 1911, and he thereupon issued to it its certificate of copyright registration as required by law.

IV. The Dispatch Printing Company infringed on copyrights of petitioner by causing said copyrights to be printed, reprinted and published, without any authority or right from L. A. Westermann Company so to do, many copies of said print and pictorial illustrations entitled "Intrigue," to wit: Thirty-five thousand (35,000) copies as a part of an advertisement for The Fashion, a millinery store, in The Columbus Evening Dispatch, a newspaper of great and wide circulation in the city of Columbus, Ohio, and adjacent country, on Tuesday, September 19, 1911, said defendant company, the owner, proprietor and publisher of said Columbus Evening Dispatch on said date, having itself printed, published and caused to be printed and published said advertisement and said print and pictorial illustration entitled "Intrigue."

And by likewise printing, reprinting and publishing without such authority or right many copies of said print and pictorial illustration entitled "Irene," to wit: thirty-five thousand (35,000) copies as a part of an advertisement for The Walter J. Dwyer Company in The Columbus Evening Dispatch, a newspaper of great and wide circulation in the city of Columbus, Ohio, and adjacent territory, on Thursday, September 21, 1911, said defendant company, the owner, proprietor and publisher of said Columbus Evening Dispatch on said date, having itself printed, published and caused to be printed and published said advertisement and said print and pictorial illustration entitled "Irene."

And by likewise printing, reprinting and publishing without such authority or right many copies of said print and pictorial illustration entitled "Impact," to wit: thirty-five thousand (35,000) copies as a part of an advertisement for Childs Dry Goods Company in The Columbus Evening Dispatch, a newspaper of great and wide circulation in the city of Columbus, Ohio, and adjacent territory, on Friday, September 29, 1911, said defendant company the owner, proprietor, and publisher of said Columbus Evening Dispatch on said date, having itself printed, published and caused to be printed and published said advertisement and said print and pictorial illustration entitled "Impact."

And by likewise printing, reprinting and publishing without such authority or right many copies of said printed and pictorial illustrations entitled "Hake," to wit: forty thousand (40,000) copies as a part of an advertisement for The Columbus Millinery Supply House in The Columbus Sunday Dispatch, a newspaper of great

and wide circulation in the city of Columbus, Ohio, and adjacent territory, on Sunday, October 1, 1911, the owner, proprietor and publisher of said Columbus Sunday Dispatch on said date having itself printed, published and caused to be printed and published said advertisement, and said print and pictorial illustration entitled "Hake."

And by likewise printing, reprinting and publishing without such authority or right many copies of said print and pictorial illustration entitled "Hack," to wit: forty thousand (40,000) copies as a part of an advertisement for The New Idea in Millinery, in The Columbus Sunday Dispatch, a newspaper of great and wide circulation in the city of Columbus, Ohio, and adjacent territory, on Sunday, October 8, 1911, said defendant company, the owner, proprietor and publisher of said The Columbus Sunday Dispatch, on said date having itself printed, published and caused to be printed and published said advertisement and said print and pictorial illustration entitled "Hack."

And by likewise printing, reprinting and publishing without such authority or right many copies of said print and pictorial illustration entitled "Jury," to wit: forty thousand (40,000) copies as a part of an advertisement for The Columbus Millinery Supply House in The Columbus Sunday Dispatch, a newspaper of great and wide circulation in the city of Columbus, Ohio, and adjacent territory, on Sunday, October 15, 1911, said defendant company, the owner, proprietor and publisher of said The Columbus Sunday Dispatch on said date having itself printed, published and caused to be printed and published said advertisement and said print and pictorial illustration entitled "Jury."

And by likewise printing, reprinting and publishing without such authority or right so to do from it many copies of said print and pictorial illustration entitled "Jury," to wit: thirty-five (35,000) thousand copies as a part of an advertisement for The Max H. Rieser Company in The Columbus Evening Dispatch, a newspaper of great and wide circulation in the city of Columbus, Ohio, and adjacent territory on Friday, November 10, 1911, said defendant company, the owner, proprietor and publisher of said The Columbus Evening Dispatch, on said date having itself printed, published and caused to be printed and published said advertisement and said print and pictorial illustration entitled "Jury."

V. By the use of said prints and pictorial illustrations in such advertisements and publications and by infringing upon L. A. Westermann Company's copyrights as aforesaid The Dispatch Printing Company damaged L. A. Westermann Company in the sum of thirty-five thousand dollars ($35,000).

VI. On August 2, 1912, the bill in equity herein was filed in the office of the clerk of the District Court of United States for the Southern District of Ohio, Eastern Division.

VII. The Ditspatch Printing Company interposed an answer stating that it is and was at all times referred to a corporation duly created and existing under and by virtue of the laws of the state of Ohio and a citizen of said state; and that the L. A. Westermann Company was and is a corporation as averred in said bill and a citizen of the state of New York; that said Dispatch Printing Company was and is engaged in the publication of a daily newspaper printed and published in city of Co-

lumbus, and having a large circulation throughout said city and state of Ohio and that in publication of said newspaper it received and published for profit numerous advertisements. It denied that it had infringed any copyright of the petitioner and denied that the L. A. Westermann Company was in any manner damaged by any act or publication made by The Dispatch Printing Company in said newspaper.

VIII. Prior to August 4, 1913, the above suit came on for trial before the Hon. John Sater, district judge of the Southern District of Ohio, Eastern Division, who on or about the fourth day of August, 1913, filed his decision, in which he found in favor of petitioner and against the respondent as to all the infringements set forth in the bill of complaint and that L. A. Westermann Company was entitled to recovery against The Dispatch Printing Company upon each of the several causes of action in the bill of complaint for the sum of $10.00 for and on account of the publication of the matter as therein set forth. To which finding of the court that the petitioner was entitled to recover only $10.00 on each of said infringements and not entitled to recover not less than $250.00 nor more than $5000.00 for each of said infringements it excepted. The court further found that the complainant was entitled to an injunction as prayed for.

IX. On April 30, 1914, petitioner was granted a writ of error by said Honorable John E. Sater, district judge for the Southern District of Ohio, Eastern Division. Petitioner also on the same date filed its petition on appeal to the United States Circuit Court of Appeals for the Sixth District; and it was ordered that a certified transcript of the record and all proceedings in said case and

forthwith transmitted to the said United States Circuit Court of Appeals.

X. A certified transcript of the record and all proceedings in the case was duly so transmitted to said United States Circuit Court of Appeals; and on the eighth day of February, 1916, the appeal by the petitioner and the writ of error, from that part of said decree it limited the recovery of petitioner for damages to the sum of $10.00 on each of said infringements, came on to be heard, was argued by counsel for both parties before Judges Warrington and Dennison, circuit judges, and Killits, district judge, and thereafter, on the sixteenth day of June, 1916, said Circuit Court of Appeals rendered and filed its opinion and decision written by Judge Dennison, which among other things held that respondent had infringed upon the copyrights of petitioner, but also held that all of the cuts here involved related to a single subject, viz., fashions for women's wear for a single season; that the constituent parts of such a subject are, obviously and necessarily, closely related; that they comprise a unitary object and effect; the aim must be to meet the tastes of women collectively as well as separately. The decision also held that petitioner had united and tied together all its six separately copyrighted cuts as completely as if it had published them only in one catalogue or one book; they had done this, so far as this case is concerned, by uniting them in a season's service which it had sold exclusively for Columbus Morehouse and that its entire business enterprise protected by copyrights was represented in Columbus by its Morehouse contract, that its right, which was involved and which was impaired, was the exclusive right to pub-

lish in Columbus this group of pictures for this season; and this was in substantial effect one right; that the defendant newspaper published on several days several items of this group, but these publications were all incidents of one course of conduct; they all occurred within a short time; they ceased as soon as complaint was made. The court said, "We think it reasonable to say that within the purview of this minimum damage clause they constituted one infringement."

Said opinion and decision reversed the decree of the District Court and remanded the cause with instructions to enter a decree for petitioner for $250.00 damages and costs and the attorney fee already fixed. The opinion further stated that the court thus definitely directed the precise decree to be entered below in order that no lack of finality in its decree might embrace any effort to take the opinion of the Supreme Court; that they had considered certifying the questions but had found their doubts hardly sufficient to justify this course. The decree was entered accordingly.

XI. The questions and propositions of law involved in this case are substantially as follows:

I. Does the publication by the respondent of seven advertisements for five Columbus retailers other than the one holding the franchise for the Westermann sketches, in each one of which seven advertisements there was reproduced one of the copyrighted sketches, no sketch being used twice, and said publication being on different dates and at intervals from September 19 to November 10, constitute seven infringements or a single infringement?

II. Does the copyright law of 1909, Section 25, permit the publication in a single season but on different dates

extending from September 19 to November 10, of different copyright sketches to be treated as a single act of infringement?

III. May the acts of the respondent consisting of the publication of seven separately copyrighted sketches on seven different dates, extending from September 19 to November 10 be considered as constituting a connected and unitary invasion of the proprietor's rights and consequently a single infringement of the copyrights?

The meaning and scope of the copyright law was duly argued in the District Court and in the Circuit Court of Appeals, but in both courts counsel on each side assumed that if the petitioner was entitled to recovery it was entitled to recovery for seven separate infringements. The first intimation of an interpretation given which treats the acts complained of as a single infringement was set out in the opinion of the Circuit Court of Appeals.

XII. And your petitioner further avers that the present case is one in which it is proper for this court to issue a writ of certiorari for the following reasons, among others:

I. Because the questions of law involved herein have not been passed upon by this court.

II. Because the public interests and the interests of jurisprudence require the decision of this court upon the question of law involved herein.

III. Because in view of the large number of persons procuring copyrights and the fact that their use is a question of daily importance in the publication of daily newspapers, said questions are sufficient general, national and material importance and interest as to make it necessary that they should be determined by a court of last resort.

IV. Because attorneys on both sides assumed in presentation of case and argument that if there was any infringement there were seven cases or instances of infringement, and the District Court so held.

V. Because the first suggestion that there was but a single infringement came with the decision of the Circuit Court of Appeals and that court had such doubts upon the questions that they considered certifying them to the Supreme Court in the United States.

Wherefore your petitioner prays that this Honorable Court will be pleased to grant a writ of certiorari in this case to the Circuit Court of Appeals for the Second Circuit to bring up this case to this Honorable Court for such proceedings therein as to this Honorable Court may seem just.

L. A. WESTERMAN COMPANY.
CURTIS C. WILLIAMS,
SIMEON NASH,
Petitioners' Attorneys.

State of Ohio, Southern District, Eastern Division, Franklin County, ss.:

Curtis C. Williams, being duly sworn, says that the petitioner is a corporation and that he is the attorney for said corporation duly authorized in the premises; that he is familiar with the allegations contained in the foregoing petition; that said petition is true to his own knowledge, information and belief; that his knowledge is derived from the record in this case, from investigation and from what has taken place in his presence and hearing in the court in which the action has been heard.

CURTIS C. WILLIAMS.

Sworn to before me and subscribed in my presence this seventh day of October, 1916.

HUGH K. MARTIN,
Notary Public.

I hereby certify that I have examined the foregoing petition and in my opinion the petition is well founded and the case is one in which the prayer of the petitioner should be granted by this court.

CURTIS C. WILLIAMS,
Counsellor for Petitioner.

Supreme Court of the United States of America.

In the Matter of the Petition of L. A. Westermann Company for a Writ of Certiorari Directed to the Circuit Court of Appeals for the ~~Second~~ Sixth Circuit to Bring Before the Supreme Court the Case of L. A. Westermann Company, Petitioner, Against The Dispatch Printing Company, Respondent.

And now comes the petitioner above named by Curtis C. Williams, its counsel, attorney, and moves the court, upon a certified copy of the transcript of the record herein, and upon the annexed petition sworn to the seventh day of October, 1916, for a writ of certiorari directed to the Circuit Court of Appeals for the ~~Second~~ Sixth Circuit to bring before this Honorable Court the case of L. A. Westermann Company, petitioner, against The Dispatch Printing Company, respondent, recently decided by the Circuit Court of Appeals of the United States for the Sixth Circuit, for such proceedings therein as to this court may seem just; and for such other and further relief in the premises as may be just.

CURTIS C. WILLIAMS,
Counsellor for Petitioner.

Supreme Court of the United States of America.

In the Matter of the Petition of L. A. Westermann Company for a Writ of Certiorari Directed to the Circuit Court of Appeals for the Sixth Circuit to Bring Before the Supreme Court the Case of L. A. Westermann Company, Petitioner, Against The Dispatch Printing Company, Respondent.

Sir: Please take notice that upon a certified copy of the transcript of the record herein and upon the annexed petition of L. A. Westermann Company, sworn to the seventh day of October, 1916, I shall move the motion hereto annexed before the Supreme Court of the United States at the capitol in the city of Washington, District of Columbia, on Monday, the thirtieth day of October, 1916, at the opening of the court on that day, or as soon thereafter as counsel can be heard, and that I shall then and there move for such further relief in the premises as may be just.

Dated Columbus, Ohio, Oct. 7, 1916.

Yours,

CURTIS C. WILLIAMS,
SIMEON NASH,
Attorneys and Counsel for Petitioner.

To Smith Bennett, Esq., Counsel for Respondent, and to The Dispatch Printing Company:

I acknowledge receipt of the above notice this ninth day of October, 1916.

SMITH W. BENNETT.
Attorney for Respondent.

BRIEF.

The questions of law involved in this case have not been passed upon by this court. The Copyright Law under which the case was begun and tried was enacted March 4, 1909 (35 Stat. L., 1075). Section 25 prescribes the amount of damages which may be awarded for an infringement. We have not been able to find any case in which the Supreme Court has construed this section, and the present case is the only one in which any Circuit Court of Appeals appears to have given it an interpretation.

Public interests and the interests of jurisprudence require the decision of this court. Large numbers of persons are constantly procuring copyrights of sketches, cuts, pictures and other matter which find their way into the columns of the daily newspapers, and the circumstances under which the same may be used by such newspapers is of great general interest and material importance alike to the holders of copyrights, the newspapers and the public.

The Westermann service and other sketch services are used very generally among the larger newspapers of the country. All the great newspapers and the producers of all the numerous copyrighted drawings, sketches and other pictures are deeply concerned in knowing the exact scope of this law. An examination of the decision of the District Court and the written argument of attorneys on both sides will disclose that they all assume that if there was any infringement there are seven cases or instances of infringement, while the

decision of the Circuit Court of Appeals finds that there is but one.

The Columbus Dispatch is a newspaper with a large circulation and is said to be recognized as one of the great advertising mediums of the country.

In such a newspaper the rates of advertising are higher and the value of illustrated advertisements consequently increased. As the value of such advertisements increase so the measure of damage or injury by infringement of copyright is increased. A large advertisement in such a newspaper may cost many hundreds of dollars and if the sketch or illustration used be an infringement such wrongful publication correspondingly damages the proprietor of the copyright. In a very few weeks many thousands of dollars of injury may thus be sustained.

It is either admitted or has been found by two courts that (1) each of the six sketches in question were copyrighted, (2) that each copyright was a separate and distinct act by the L. A. Westermann Company, (3) that six separate and distinct copyrighted pictures were published in the Columbus Dispatch on six separate dates, (4) that six of these publications were in a separate issue of said newspaper on a day different from the publication of any of the other copyrighted pictures, and (5) that one of these copyrighted pictures or sketches was published on two distinct dates, namely, October 15th, and November 10th, and for two different Dispatch advertisers, and (6) that the Columbus Dispatch in so printing and publishing each of these copyrighted pictures infringed upon the rights of the plaintiff.

The Circuit Court of Appeals stated that "we see no escape from the application of the $250.00 minimum in a case like this." They also stated that not only does the typical copyright infringement, if not every one, involve indirect damages almost sure to be considerable, but in a few cases would one sum of $250.00 more than compensate plaintiff for his time, trouble and expense in detecting, following up and prosecuting an infringement. But the Circuit Court of Appeals took the view that "the conduct of the defendant in this case constituted a connected and fairly unitary invasion of the proprietor's rights." They discuss the case of a book or musical composition and also the use of a catalogue of cuts or prints illustrating the products of a furniture manufacturer. No one of these cases can be said to be comparable to that of a newspaper infringing in the manner in which the infringement occurred in the case under consideration. Westermann's sketches were not all of a single subject but of various subjects. The cuts were not a part of a single scheme or plan but covered a wide field, and the various pictures or sketches were copyrighted separately and any one of them could be sold and published independently of the others. The fact that all were sold to Morehouse was a **mere incident.** They might have been divided up and sold to **several** customers, each customer using pictures or sketches different from the others. In the case of a book the copyrighting of the separate chapters of a book would be the copyrighting of the different parts of the complete entity. A chapter might be wholly incomplete when standing alone, having no values. Each one of the Westermann pictures stood alone as a product

separately copyrighted and having its own intrinsic value. In the case of a catalogue all of the separate pictures or drawings are combined and published as a single production.

The Circuit Court of Appeals in discussing the question of whether there are seven separate infringements states that "the damages would have been irrationally increased. We believe Congress meant no such result." We fail to see the reason for this conclusion. To say that **seven separate publications** on as many different days of **separately copyrighted** pictures of the plaintiff would constitute a single infringement would mean that the law practically gave immunity to large newspapers in the use of such sketches and cuts, since the payment of $250.00 would be no compensation for the great damage thereby wrought to the copyright proprietor. If the Dispatch could publish six sketches or pictures and treat those acts as a single infringement there would be nothing to prevent the printing of a different Westermann sketch every day during the entire season, if there should be that many sketches made during the season, and treating them all as a single infringement. Nor is there anything to prevent them from continuously printing or publishing such cuts through a number of seasons and having them all treated as a single infringement. If the Act of Congress in question had been in language such as that the literal meaning of it would have implied a penalty of $250.00 for each copy of the newspaper in which the copyrighted sketch or picture had appeared then it might well be said that the damages would have been irrationally increased. But by giving the law the interpretation for which we contend

hundreds of thousands of copies of a single issue of a newspaper may contain an infringed copyrighted picture but the proprietor would have but a single right of recovery. When the publication covers different dates and different copyrighted pictures come to be considered a wholly different situation arises.

There are cartoonists who are continuously producing newspaper pictures and whose income from their profession is said to amount to a very large sum every year. Some newspapers are said to pay many thousands of dollars for such cartoons. Suppose that a metropolitan daily should begin and continue through a period of weeks or months the reproduction of the cartoons for which one of its rivals had paid some large sum. In such instance the act of Congress certainly would not restrict the copyright proprietor to a recovery on a single infringement.

There cannot be said to be any composite or grouped right in this case. The publications were on **separate days**. The **copyrights were each separate. Different sketches** were published on all except two days.

Suppose that these copyrighted sketches or pictures had been owned by seven separate proprietors. Could anybody then be heard to say that there was not seven separate rights of action? Or suppose that this Westermann service had been used by seven separate newspaper publishing companies but they had all used the service for which Morehouse had contracted and it had all been used the same year, then could there be any question made but that the plaintiff would have a separate cause of action against each of the parties so infringing, notwithstanding the fact that the number of

pictures published were the same as in this case. Or suppose that after the pictures or sketches had been copyrighted the copyright proprietor had sold the copyright of such sketch or picture to six different persons, could there be any question but that each of the six persons would have a separate right of action for such infringement? Or suppose further that after the publication by the defendant of the copyrighted sketches or pictures L. A. Westermann Company had sold each of said copyrights of said sketches or pictures, together with all rights of action for infringement on the same, to seven different persons, could there be any question but that each of such persons would have a right of action against the defendant? We ask counsel for respondent to give the answer to these questions.

Suppose that the Westermann Company had brought an action against the Dispatch Publishing Company on September 19th and before the 1st day of November of the same year had succeeded in having the case heard and disposed of and recovered the minimum of such infringement; then suppose that on the 15th day of November the Dispatch published another one of the Westermann pictures and the plaintiff instituted a new action for such publication, would the Dispatch company be heard to plead the former judgment in bar? The Circuit Court of Appeals recognizes the force of this argument when it says that the plaintiff might be able to bring several suits simultaneously in different jurisdictions and thus escape consolidation, but that court said that there will be time to meet such a problem when it arises. The Circuit Court of Appeals says that the plaintiff united and tied together his six sepa-

rately copyrighted cuts by uniting them in a season's service which he sold exclusively to Columbus for Morehouse. But there is nothing to show that this service was not also sold to other parties in cities other than Columbus where the Columbus Dispatch circulates and is read. As a matter of fact the Westermann service is sold in a number of other places where this newspaper is circulated, and this fact, too, emphasizes the substantial damages which plaintiff has sustained by the course of the Dispatch in thus publishing the cuts. The right which was involved and impaired was a right which affected every subscriber and user of the Westermann service in the territory through which the newspaper circulated. The copyright law, given its literal interpretation, is not unreasonable or irrational, or excessive in the amount of damages assessed. But to give it an interpretation that would mean that the seven separate publications in question constituted a single infringement would be to give to the defendant license to practically ignore the proprietor's rights by simply paying a nominal sum as damages. The plaintiff is a New York corporation, the defendant is an Ohio corporation. In order for plaintiff to protect its rights it became necessary for it to come to Columbus and institute an action, and it is not reasonable to assume that Congress ever contemplated that the plaintiff could have such a hardship imposed upon it as has been in this case and it be possible to limit it in its recovery on a series of publications to the paltry sum of $250.00

Respectfully submitted,

CURTIS C. WILLIAMS,

SIMEON NASH,

Attorneys for Petitioner.

-8-

Supreme Court, U. S.
FILED
APR 28 1916
JAMES D. MAHER,
CLERK

Supreme Court of the United States

OCTOBER TERM 1916.

No. [redacted]50

L. A. WESTERMANN COMPANY,
Plaintiff in Error,

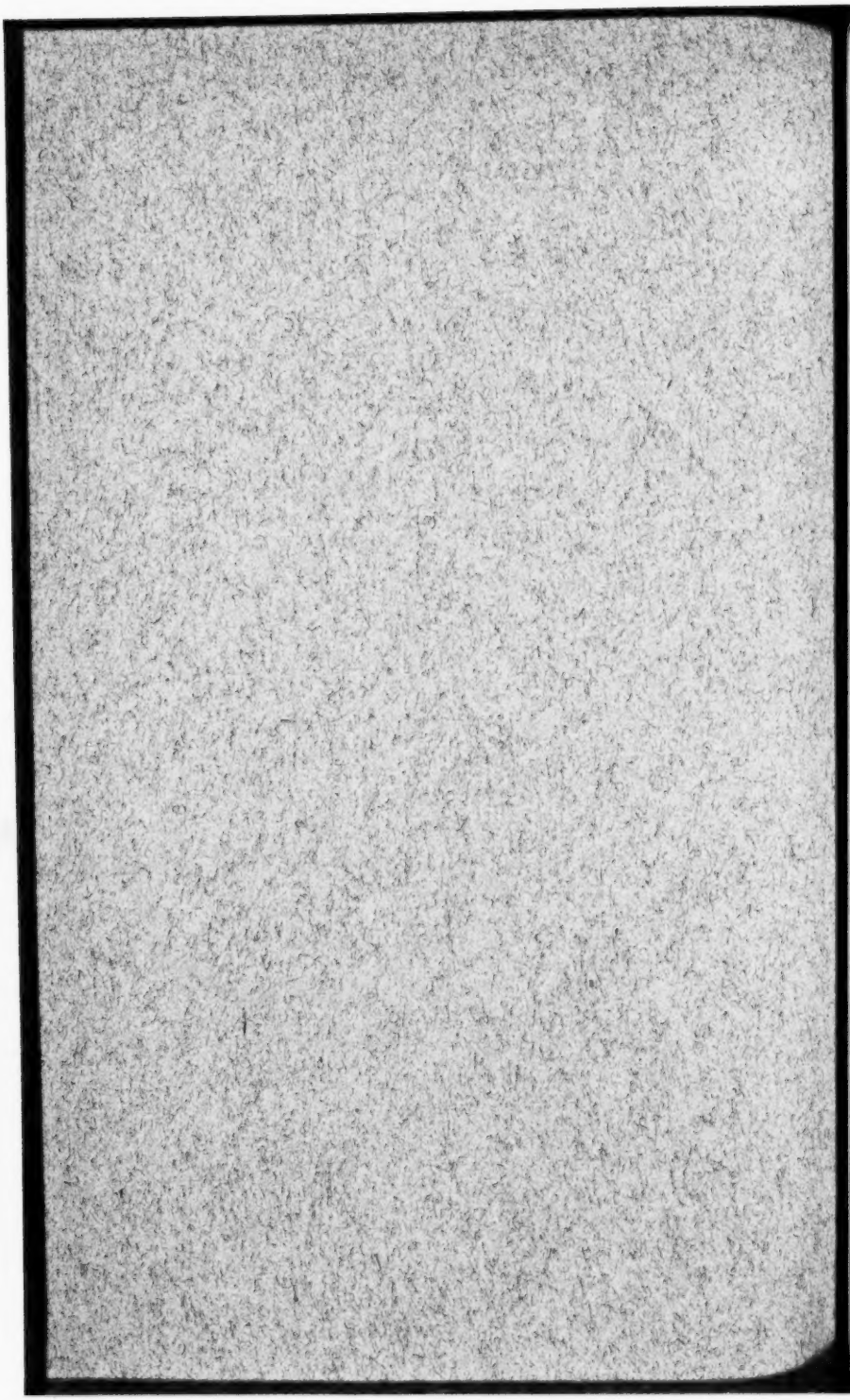
vs.

THE DISPATCH PRINTING COMPANY,
Defendant in Error.

BRIEF ON BEHALF OF PLAINTIFF IN ERROR.

CURTIS C. WILLIAMS,
SIMEON NASH,
Solicitors for Plaintiff in Error.

TOOTHAKER & RODENFELS, Law Printers, Columbus, Ohio



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Supreme Court of the United States

OCTOBER TERM 1916.

No. 742

L. A. WESTERMANN COMPANY,
Plaintiff in Error,

vs.

THE DISPATCH PRINTING COMPANY,
Defendant in Error.

BRIEF ON BEHALF OF PLAINTIFF IN ERROR.

STATEMENT.

The petition in this case and brief in support of same fully set out the facts and the plaintiff in error's reasons for asking that the judgment and decree of the United States Circuit Court of Appeals for the Sixth District be vacated and that this court order and direct a judgment and decree conforming to the provisions of Section 25 of the Copyright Law of March 4, 1909 (35 Stat. L. 1075).

The L. A. Westermann Company is engaged in the business of furnishing to its subscribers artistic copyrighted cuts which are used in the preparation of adver-

tisements. A number of these copyrighted cuts appeared in the newspaper published by the defendant at Columbus, Ohio, in the advertisements of advertisers who were not subscribers to the service of the L. A. Westermann Company. Seven of such infringements are complained of, the original copyright print and the corresponding infringement being attached to the bill of complaint in each instance. These exhibits to the bill of complaint are reproduced following page 6 of the Record, and also, following page 42 of said Record.

Numerous questions were made at the time of the trial in the lower court as to whether or not these prints were copyrightable, as to whether or not the copyright was properly proven, as to whether or not the defendant could escape liability because it had no actual notice of the copyright and acted in good faith, reliance being had upon Section 20 of the copyright act of March 4, 1909, and as to various other minor matters. However all of these questions were resolved in favor of the complainant by the lower courts as will appear from opinions (Transcript of Record pp. 10-13 and pp. 51-59).

In each of the lower courts the plaintiff in error recovered a judgment and decree, but likewise in each of those courts the plaintiff in error took the view that in assessing and awarding the judgment for damages those courts violated the clear provision of the act which recites that in **no such case** shall such damages "exceed the sum of five thousand dollars nor be less than two hundred fifty dollars". The District Court ignored this provision and awarded judgment in the sum of ten dollars for and on account of each infringement set out in the petition. The Circuit Court of Appeals found that they were bound by a minimum fixed by Section 25, but found that instead of their having been seven

separate and distinct rights of recovery that there was but a single infringement. This conclusion was in conflict with the views of counsel on both sides. At no time prior to the decision of the Circuit Court of Appeals had the defendant denied but that if the plaintiff was entitled to recovery at all it was entitled to recovery on at least seven separate infringements. Plaintiff in error is asking this court to adopt the view of the District Court that there was at least seven separate infringements and the view of the Court of Appeals that the minimum award should be not less than two hundred fifty dollars.

The award should not be regarded as a penalty. Throughout the discussion of this case the last clause of Section 25 is treated as if without force or effect, by counsel for defendant. The arguments in regard to proofs of damages sustained by plaintiff in error on the one hand, or profits by defendant in error on the other, are all founded upon the theory that the court is to look to the nature and extent of the injuries sustained. In the very nature of things damages for the violations of a copyright are of such a nature that it is many times impossible to procure competent evidence on that subject.

> "The whole course of the copyright law shows a recognition of the difficulty of making legal proof of damages and, in substituting for rigid penalties the discretionary power of the court, it was intended that a plaintiff should not fail for lack of proof. Gross v. Van Dyke Gravure Co., 230 Fed. 412.

L. A. Westermann Co. had the right to do and did the very thing that act authorized, namely, proved the violation by defendant in error and then relied upon provision regarding maximum minimum damages.

The act imposes upon the court the duty of fixing from the evidence the measure of damages and restricts the court as to the minimum and maximum amount of such damages. Proof of the violation presumes injury. In addition the court had before it evidence of the very large circulation which the defendant's publication had at the time of the issues in which the violations occurred.

THE ARGUMENT.

1. The Statute Under Which the Question of the Amount of Damages Arises.

The question as to the amount of damages arises under sub-section (b) of Section 25 of the copyright Act of March 4, 1909, 35 Stat. L. 1081, U. S. Comp. Stat. Supp., 1911, page 1480; Fed. Stat. Ann. Supp. 1909, page 87, which said Section 25, so far as material, we quote at length.

> "That if any person shall infringe in the copyright in any work protected under the copyright laws of the United States such person shall be liable:
>
> (a) To an injunction restraining such infringement;
>
> (b) To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement, and in proving profit the plaintiff shall be required to prove sales only and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages and profits such damages as to the court shall appear to be just, and in assessing such damages the court may, in its dicretion allow the amount as hereinafter stated, but in the case of a newspaper reproduction of a copyrighted photograph such damages shall not exceed the sum of two hundred dollars nor be less than the sum of fifty dollars, and such damages shall in no other case exceed the sum of five thousand dollars nor be less than the sum of two hundred and fifty dollars, and shall not be regarded as a penalty;
>
> First. In the case of a painting, statue, or sculpture, ten dollars for every infringing copy made or sold by or found in the possession of the infringer or his agents or employes;

Second. In the case of any work enumerated in section five of this act, except a painting, statue, or sculpture, one dollar for every infringing copy made or sold by or found in the possession of the infringer or his agents or employes;

Third. In the case of a lecture, sermon, or address, fifty dollars for every infringing delivery;

Fourth. In the case of a dramatic or dramatico-musical, or a choral or orchestral composition, one hundred dollars for the first and fifty dollars for every subsequent infringing performance; in the case of other musical compositions, ten dollars for every infringing performance."

2. Facts Essential to the Consideration of the Question of Damages.

Following out the provisions of section 25 just quoted, and in order to avail itself of the benefit of sub-paragraph (b) of said section, the plaintiff fixed its damages for each infringement at the maximum sum provided by the statute, namely five thousand ($5000) dollars, and in its prayer asked that the defendant might be decreed;—

"To pay to the plaintiff, in lieu of actual damages and profits, damages in the sum of thirty-five thousand ($35,000) dollars as provided by the act of Congress." (See record, page 6.)

The amount thus prayed for, $35,000, is made up of $5000 for each of the seven infringements complained of.

It was shown by the testimony of Lewis Aurel Westermann (see record, page 26-32), that each customer of the complainant by contract had the exclusive right to the use of the Westermann illustrations in his own locality. The value of the Westermann service as it is called, that is, the furnishing of these up-to-date cuts for advertising purposes, depends entirely upon their exclusiveness. If they are not exclusive the service is

valueless to the customer and the business conducted by the complainant is ruined. It therefore is obvious that any infringement of these copyrighted cuts would result in damage to the complainant, because it would take away from the service of the complainant the one thing which made that service valuable, namely, its exclusiveness.

Mr. Westermann himself, the president of the complainant company, testified that it was impossible for him by any means to calculate in dollars and cents the amount of damages which had been sustained.

Not only does Mr. Westermann give this direct testimany as to his inability to calculate or measure the amount of damages but it is quite apparent from the nature of the business carried on that, although damage must necessarily accrue, it is practically impossible to calculate it in dollars and cents.

As illustrating the effect upon the business of the L. A. Westermann Company of these infringements of these copyrights we call especial attention to one of the infringements complained of. At page 88 of the record appears Exhibit F-1, which is a reproduction of the print entitled "Jury," as it was published in the Columbus Sunday Dispatch of that date in the advertisement of The Morehouse-Martens Company with the copyright notice thereon. The Morehouse-Martens Company was the subscriber of the Westermann service at Columbus, Ohio. On this same date and in the same identical paper, the same cut, "Jury," appears in the advertisement of The Columbus Millinery Supply House, without the copyright notice, and this advertisement is reproduced as Exhibit FF attached to the bill of complaint at page 18 of the record.

3. The Copyright Act Provides a Minimum which must be Allowed.

Section 25 of the copyright act requires the minimum of damages specified, towit, $250, to be awarded, in case the copyright proprietor elects that remedy. It was to meet just such a case as that at bar that the provision was enacted. The determination of the question depends upon the construction of section 25.

The statute reads that the infringer shall be liable to pay the copyright proprietor

> (a) Actual damages as well as all the profits which the infringer shall have made; (b) or in lieu of actual damages and profits such damages as to the court shall appear to be just, within the minimum and maximum limits.

The District Court decided the case upon the theory that it was for the court to choose between the two forms of relief. The statute does not so state, and there is nothing in the phraseology warranting any such construction.

4. The history of remedies allowed for infringement of copyrights and previous decisions show that the plaintiff is the one to choose between the remedies.

The act of March 4, 1909, of which Section 25 forms a part, is entitled, "An act to amend and consolidate the acts respecting copyrights." It amended previous provisions of law in many particulars and brought all of the different classes of copyrights together in one codification. Pror to this act there had been several different forms of remedy allowed for the several classes of copyright.

Section 4968, R. S. (U. S. Comp. Stat., 1901, page 3412), 1-953, provided for a **qui tam** action for the recovery of a penalty for the false use of a copyright notice.

Section 4964, R. S. (U. S. Comp. Stat., 1901, page 3413), provided for the recovery of damages in a civil action in the case of copyright books, and the forfeiture of all infringing copies.

Section 4965, R. S. (U. S. Comp. Stat., 1901, page 3414), refers to maps, charts, dramatic and musical compositions, and other works, and provides that the infringer shall forfeit to the proprietor all plates, the sum of $1 for every sheet found in his possession and $10 in the case of a painting or statue. A minimum of $100 and a maximum of $5000 is fixed for copyright photographs of objects not fine arts. In the case of fine arts the minimum is $250 and the maximum $10,000. These recoveries were clearly penalties, one-half being for the use of the copyright proprietor and the other half for the use of the United States.

R. S., 4966 (U. S. Comp. Stat., 1901, page 3415), to which we will refer in more detail later, applies to the **performance** of a dramatic or musical composition, and provides that the infringer shall be liable for damages, in such sum as to the court shall appear to be just, with a minimum of $100 for the first and $50 for every subsequent performance, no maximum being specified.

R. S., 4970 (U. S. Comp. Stat., 1901, page 3416), also gives general jurisdiction to grant injunctions, according to the course and principles of equity. Under this latter section it was held that when jurisdiction in equity is secured by an action for injunction, jurisdiction is also acquired to grant **an accountng of profits.** Stevens vs. Gladding, 17 How. (U. S.), 447, 15 L. Ed., 155. In this case the plaintiff asked for an injunction, and

for certain penalties imposed by the copyright act and also for general relief. The court rejected the prayer for the penalties, but granted an injunction, and **an account of profits** under the prayer for general relief. We quote the following from the opinion:

> "There is nothing in this act of 1819 which extends the equity powers of the courts to the adjudication of forfeitures; it being manifestly intended, that the jurisdiction therein conferred should be the usual and known jurisdiction exercised by courts of equity for the protection of analogous rights. The prayer of this bill for the penalties must therefore be rejected."
>
> "The remaining question is, whether there ought to be a decree for an account of the profits. The complainant has not prayed for such an account, nor have the defendants stated one in their answer; but the bill does pray for the general relief."
>
> "The right to an account of profits is incident to the right of an injunction, in copy and patent right cases." (From opinion, 17 How., 455, 15 L. Ed., 158.)

This case was followed in the case of Callaghan vs. Myers, 128 U. S., 617, 663, 32 L. Ed., 547, 561, in which it was held that in an action in equity no relief could be granted in the way of forfeiture of infringing books, because such relief could be granted only in an action at law. We refer to this case because it shows the nature of the jurisdiction which equity had prior to the act of March 4, 1909.

None of these remedies, provided by the statutes to which we have referred, unless it be R. S., 4966, covering dramatic performances, have any close similarity to Section 25. The penalties provided by Section 4965, with their maximum and minimum provisions, are somewhat similar, but yet they are entirely different because a true penalty is there imposed, half of which goes to the

United States. Section 4965 seems to have been followed in fixing the schedule of so much per sheet, etc.

In the case of Section 4966 we find an action which is really one for damages, containing a minimum but no maximum provision. This provides a minimum of $100 for the first and $50 for every subsequent performance of an infringement of a dramatic or a musical ecomposition. It has been held that this is a true action for damages and not a penalty. Brady vs. Daly, 175 U. S., 148, 44 L. Ed., 109.

The pertinent part of R. S., 4966, is as follows:

> "Any person publicly performing or representing any dramatic or musical composition for which a copyright has been obtained, without the consent of the proprietor of said dramatic or musical composition, or his heirs or assigns, shall be liable for damages therefor, such damages in all cases to be assessed at such sum, not less than $100 for the first and $50 for every subsequent performance as to the court shall appear to be just." (U. S. Rev. Stat., §4966; 2 Fed. Stat. Ann., 269; Supp. Rev. Stat. U. S., Vol. 3, page 536.)

The Supreme Court held that actual damages in such sum as the court found just might be recovered, but that **in any event** the **minimum could be recovered.** The reason for the enactment of the statute is shown to be the furnishing of **an effective remedy** to a **proprietor who was unable to bring direct evidence to show what the actual damages were.** The history of R. S., 4966, is given in the opinion. We quote the following at length from the opinion because it shows the purpose of the enactment of R. S., 4966, and equally we say the intent of Congress in enacting Section 25 of the present law:

> "These statutes, it will be perceived, all use the word 'damages' when referring to the wrongful production of a dramatic composition. No word of for-

feiture or penalty is to be found in them on that subject. It is evident that in many cases it would be quite difficult to prove the exact amount of damages which the proprietor of a copyrighted dramatic composition suffered by reason of its unlawful production by another, and yet it is also evident that the statute seeks to provide a remedy for such wrong, and to grant to the proprietor the right to recover the damages which he has sustained therefrom.

"The idea of the punishment of the wrongdoer is not so much suggested by the language used in the statute as is a desire to provide for the recovery by the proprietor of full compensation from the wrongdoer for the damages such proprietor has sustained from the wrongful act of the latter. In the face of the difficulty of determining the amount of such damage in all cases, the statute provides a minimum sum for a recovery in any case, leaving it open for a larger recovery upon proof of greater damage in those cases where such proof can be made. The statute itself does not speak of punishment or penalties, but refers entirely to damages suffered by the wrongful act. The person wrongfully performing or representing a dramatic composition is, in the words of the statute, 'liable for damages therefor.' This means all the damages that are the direct result of his wrongful act. The further provision in the statute, that those damages shall be at least a certain sum named in the statute itself, does not change the character of the statute and render it a penal instead of a remedial one. The whole recovery is given to the proprietor, and the statute does not provide for a recovery by any other person in case the proprietor himself neglects to sue. It has nothing in the nature of **qui tam** action about it, and we think it provides for the recovery of neither a penalty nor a forfeiture.

"If, upon the trial of such an action, the court should find from the evidence that the plaintiff had, in fact, sustained a greater amount than the minimum sum of damages provided in the statute, and should direct judgment in his favor for the sum so proved, would that judgment be for a penalty? On the contrary it would be for the actual amount of

damages which the evidence showed had been sustained by the plaintiff, and his recovery of that sum would be the recovery provided by the law for the wrong which he had suffered. When the evidence does not warrant a greater than the minimum recovery, the amount named in the statute still constitutes the remedy provided by the law, which plaintiff can pursue." (From the opinion, 175 U. S., 145-5, 44 L. Ed., 112.)

"Although punishment, in a certain and very limited sense, may be the result of the statute before us so far as the wrongdoer is concerned, yet we think it clear such is not its chief purpose, which is the award of damages to the party who had sustained them, and the minimum amount appears to us to have been fixed because of **the inherent difficulty of always proving by satisfactory evidence what the amount is which has been actually sustained.**

"The English statute of 3 & 4 Wm. IV, Chap. 15, entitled, 'An Act to Amend the Laws relating to Dramatic Literary Property', by its 2d section provides that a person who wrongfully produces and represents a dramatic composition 'shall be liable for each and every such representation to the payment of an amount not less than forty shillings, or to the full amount of the benefit or advantage arising from such representation, or the injury or loss sustained by the plaintiff therefrom, whichever shall be the greater damages, to the author or other proprietor of such production so represented.'

"In Chatterton v. Cave, L. R., 3 App. Cas., 483, 492, the court in speaking of this provision for damages said that the same 'was no doubt fixed, because of the difficulty of proving with definiteness what amount of actual damage had been sustained by perhaps a single performance at a provincial theater of a work belonging to a plaintiff, while at the same time his work might be seriously depreciated if he did not establish his right as against all those who infringed upon it.' This does not look as if that statute were regarded by the English courts as one of a penal nature, but, on the contrary, as one of a remedial kind providing for the recovery of the damages sustained by the plaintiff, and providing for the recovery of a minimum sum for the reason,

as stated by the court, of the difficulty of proving with definiteness in all cases the amount of damages which plaintiff really had suffered." (From the opinion, 175 U. S., 152; 44 L. Ed., 113.)

Thus we see that prior to the act of Mach 4, 1909, in one class of copyright infringements at least, there was a right to recover actual damages with a minimum recovery in any event. This minimum recovery could be had even though on the evidence before it the court might have thought, as the lower court in the case at bar states, that the actual damages did not in fact measure up to the minimum. Nevertheless that was the law as to this class of infringements prior to 1909. **This remedy has now been extended to all copyright matter.**

It may be that in the case of Globe Newspaper Company vs. Walker, 210 U. S., 356, 52 L. Ed., 356, decided June 1, 1908, we find a reason for the bringing together in one section, Section 25 of the present act, of these various remedies for infringement. In this case it was held that the remedies prescribed by statute were exclusive, and that there was no action for general damages for the infringement of a copyrighted map. The only remedy it was held was by injunction, and for the recovery of one-half of the penalty of $1 for each sheet found in the defendant's possession. The court said that the remedy might be inadequate but that it was exclusive. In the following year the act of March 4, 1909, was enacted, and a uniform system of remedies applying to all copyright matter was set forth in Section 25.

In Section 25 we see a mixture of the several remedies theretofore existing. The penalty provision with one-half for the use of the United States is discarded. On the contrary it is expressly provided that the recoveries shall not be regarded as penalties. Actual damages is

retained as found in the statute regarding copyright books, R. S., 4964, profits being also added, as theretofore allowed by the decisions. These damages and profits are coupled, the greater only to be allowed, and by an action in equity, as we show below, page 33. The recovery of such damages as to the court shall appear to be just, as in the case of the performance of copyright dramatic and musical compositions, is retained, but in addition to the minimum provision, the maximum provision of the penalty statute is added, together with a schedule of amounts per sheet or performance as in the penalty statute.

We state above that **profits** is added to the damages theretofore provided for by Section 4964. Profits are nowhere mentioned in any of the statutes prior to 1909. They were taken not from the prior statutes but from the decisions which permitted an accounting of profits in equity, to which we have referred above, the two to be coupled as in the equity remedy of the patent statute. (See below. page —.) So that we see that Section 25 is a compilation of the previous remedies, together with the remedy of an accounting of profits theretofore afforded in equity. These actual damages together with **profits** is afforded in the present act as an equitable remedy, while "such damages as to the court shall appear to be just" within the minimum and maximum limits, is given as an alternative remedy at law.

And here we say is incorporated in the statute a right of election which theretofore existed, namely the right of the proprietor to elect between the enforcement at law of the specific money remedy given by statute, and the accounting of profits in an action in equity.

We have seen above that the statute giving the right to protect the copyright in equity was held to carry with

it the right to an accounting of profits. (See above, page —.) It was held in the case of Brady vs. Daly, 175 U. S., 148, 44 L. Ed., 109, that the proprietor had an election between the accounting of profits in equity, and the money remedy at law for an infringement of a dramatic composition allowed by R. S., 4966, cited above, page 23. This was an action at law based on the performance of a dramatic composition. Prior thereto Daly had brought an equity action in which a perpetual injunction was granted, and a reference had to a master who made no accounting of profits but merely a finding as to how many performances there had been. It was insisted in the subsequent action at law that this constituted an election of an accounting of profits and constituted a bar to the action at law. On this subject the court, per Justice Peckham, says:

> "In view of these facts, we think there was no election of an inconsistent remedy by the plaintiff in the action which would bar him from the maintenance of this action for the recovery of damages under the section of the revised statutes before referred to."
>
> "Conceding that he might in the equity suit have recovered profits if there had been an accounting concerning the same, and that a decree for their recovery, would be a bar to a proceeding under the statute, **yet the plaintiff was not bound** to take such remedy; and when in fact he did not take it, and there was no accounting for profits in the equity suit, no decree made in regard to them and no recovery had, we see nothing to prevent the plaintiff in this action from recovering under the statute the damages which he has sustained by reason of the infringement of his copyright by the defendant." (From the opinion, 175 U. S., 161, 44 L. Ed., 114.)

In Brady vs. Daly no evidence was introduced except as to the number of performances, and on this basis an

allowance of $50 for each performance was made. The case was taken up by the defendant and the judgment affirmed. Before the act of March 4, 1909, therefore, damages in such sum "as to the court shall appear to be just," restricted by the minimum provision as found in R. S., 4966, required the allowance of the minimum even though no evidence was before the court as to the amount of actual damages. Exactly the same language is found in Section 25, as in R. S., 4966, such "damages as to the court shall appear to be just."

Therefore we say that the conclusion follows that prior to 1909 the proprietor had an election between "**profits**" and "**such damages as to the court shall appear to be just,**" the latter not requiring any evidence to sustain the minimum allowance. The linking of the term "**profits**" with damages in the present section, demonstrates that it was the intention of Congress to preserve to the copyright proprietor this right of election between the two remedies. If this is not the proper construction of Section 25 then the proprietor of a dramatic composition is at the mercy of his infringers. If he cannot show by positive evidence that patrons have been kept away from his own authorized performances, or that he himself might have had the play performed in some "**provincial**" theatre, as the English case cited in Brady v. Daly states, then he must content himself with nominal damages, after expensive litigation as the complainant in this case must do. Certainly it was not the intention of Congress to take away this right which had existed since the act of 1856. (See opinion, Brady vs. Daly, 175 U. S., 153, for history of R. S., 4966.)

This is the result of defendant's theory of Section 25 so far as musical compositions are concerned. It is a

step backward in the protection of copyrights. It is also a step backward so far as the protection of those classes of copyrights mentioned in R. S., 4965, is concerned. Prior to 1909 the proprietor did have the right to recover profits or at his election one-half of the penalties provided. Now unless he can bring forward demonstrative evidence of his damages he has no remedy save to enjoin an infringement already accomplished. Surely Congress has not taken such a backward step as this.

5. The First Remedy is Taken from the Patent Statutes and is an Equitable Action.

The report of the House Committee on the present copyright act shows that the first remedy of damages and profits found in Section 25 is borrowed directly from the patent laws and that it is a **purely** equitable remedy.

We quote the following from the report of the Committee on Patents of the House of Representatives recommending the passage of the present copyright act, which report is found in House of Representatives Reports, Sixtieth Congress, Second Session, Volume 1, Report No. 2222, quoting from page 15:

> "Section 25 deals with the matter of civil remedies for infringement of a copyright. Sub-section (a) is merely declaratory of existing law. The provision in Sub-section (b) that in proving profits the plaintiff shall be required to prove sales only, etc., is taken from the existing law relating to trademarks. **The provision that the copyright proprietor may have such damages as well as the profits which the infringer shall have made is substantially the same provision found in Section 4921 of the Revised Statutes relating to remedies for the infringement of patents. The courts have usually construed that to mean that the owner of the patent might have one or the other, whichever was the greater.** As such a

provision was found both in the trade-mark and patent laws, the committee felt that it might be properly included in the copyright laws. **The provision that in lieu of actual damages and profit such damages shall be awarded as shall appear to the court just, not exceeding the sum of $5000, is a modification of existing law, decreasing instead of increasing the amount that may be obtained in this way.** There have been actions brought under the existing law where the penalty would have been $30,000, and under the law now in force regarding certain infringements it is provided that the damages shall not be less than $250 nor more than $10,000. The special limitation as to the amount of damages which may be recovered in the case of a newspaper reproduction of a copyrighted photograph is made because such reproduction has little permanent value or usefulness. A reproduction in this form does not damage the copyright proprietor to as great extent as would the reproduction and sale of copies of the photograph in a different form.

"The first subdivision of the section is, with slight change of phraseology, a re-enactment of existing law. The second subdivision is, as to some of the articles covered, a re-enactment of existing law, but is broadened so as to cover some reproductions not now enumerated in the statute like plastic works of a scientific or technical character, and books, pamphlets, etc. The third subdivision is new, and is intended to give adequate protection against the infringement of the new right of copyright given by Sub-section (c) of Section 1. The fourth is a substantial re-enactment of existing law, which provides that the damages for an infringement of any dramatic or musical composition shall be not less than $100 for the first performance, and $50 for every subsequent performance, but we have modified this provision in the bill by fixing the damages for an infringing performance of a purely musical composition at $10."

The Senate Committee merely reprinted the report of the House Committee as its report. (Senate Reports, Sixtieth Congress, 2nd Session, Volume 1, Report No. 1108.)

Section 25 of the copyright act provides that the infringer shall be liable to pay to the copyright proprietor:

> "Such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement."

The pertinent parts of R. S., 4921 (Fed. Stat. Ann., Vol. 5, page 577, U. S. Comp. Stat., 1901, Vol. 3, page 3395), are as follows:

> "The several courts vested with jurisdiction of cases arising under the patent laws shall have power to grant injunctions **according to the course and principles of courts of equity**, to prevent the violation of any right secured by patent, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for an infringement the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby; and the court shall assess the same or cause the same to be assessed under its direction."

Equitable juridiction is granted in the copyright act in the same terms as in the patent act, namely the power to grant injunctions "**according to the course and principles of courts of equity.**" (Section 35 copyright act of March 4, 1909.)

We see then that the equitable jurisdiction under the copyright act is the same as under the patent laws, and that the provisions as to the recovery of damages and profits are in substantially the same language in both acts. It would follow that the decisions under the two acts should be the same, especially in view of the fact that the language of the copyright act is taken directly from the patent act.

It was held in the case of Root vs. Lake Shore and Michigan Railway Company, 105 U. S. (15 Otto), 189,

26 L. Ed., 975, that equity has no jurisdiction to render a naked account of profits against an infringer of a patent. There must be some ground of equitable jurisdiction to give jurisdiction in the first instance, and then the accounting of profits follows from this. The remedy for patent infringements under R. S., 4921, is given only in equity. The remedy at law for damages is given by R. S., 4919, under which the damages are fixed by a verdict of a jury and may be trebled by the court.

It has also been held by the Circuit Court of Appeals, Eighth Circuit, that no action can be had at law for the recovery of profits, and that unless equitable jurisdiction can be secured in some manner, profits cannot be recovered. Brown vs. Lanyon, 78 C. C. A., 528, 148 Fed., 838. (Petition for writ of certiorari denied, 204 U. S., 672; 51 L. Ed., 673.)

It is apparent upon a comparison of Section 25 of the copyright act and R. S., 4921, as well as from the report of the committee quoted above, that the provision has been taken from R. S., 4921. **The damages and the profits go together in both sections and are to be recovered in an equitable action.**

This is undoubtedly true of R. S., 4921, regarding patent infringements and should be equally true of the copyright statute. That the damages and the profits go together is shown in the report of the committee, where they say, referring to the damages and profits:

> "The courts have usually construed that to mean that the owner of the patent might have one or the other, whichever was the greater." (See quotation from report of committee above, page —.)

The statement of the committee in regard to the construction of the patent statute is correct. Tilghman vs.

Proctor, 125 U. S., 135, 31 L. Ed., 664. We quote the following from the opinion:

> "The rule in equity of requiring an infringer to account for the gains and profits which he has made from the use of a patented invention, instead of limiting the recovery to the amount of royalties paid to the patentee by third persons, has been constantly upheld under the provision of the Patent Act of 1870, embodied in the Revised Statutes, which, beside re-enacting the grant of general equity jurisdiction in patent cases, further enacts that 'upon a decree being rendered in any such case for an infringement, the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction, and the court shall have the same powers to increase the same in its discretion that are given by this act to increase the damages found by verdicts in actions upon the case;' **and thus expressly affirms the defendant's liability to account for profits, as well as authorizes the court sitting in equity to award and to treble any damages that the plaintiff has sustained in excess of the defendant's profits.** Act of July 8, 1870, Chap. 230, §55, 16 Stat. at L., 206; Rev. Stat., § 4921; Birdsall v. Coolidge, 93 U. S., 64, 69; Marsh v. Seymour, 97 U. S., 348; Root v. R. Co., supra; Goulds Mfg. Co. v. Cowing, 105 U. S., 253; Garretson v. Clark, 111 U. S., 120; Black v. Thorne, 111 U. S., 122; Girdsell v. Shaliol, 112 U. S., 485, 488; Thompson v. Wooster, 114 U. S., 104." (From the opinion, 125 U. S., 148-9, 31 L. Ed., 668.)

In this case the lower court rendered judgment for the damages which happened to be less than the profits, and Supreme Court reversed this with directions to enter judgment for the profits.

The patent law, just as the copyright law, at first made no mention of profits, but profits were allowed whenever equitable jurisdiction attached. (See Stevens v. Glad-

ding, 17 How. (U. S.), 447. Cited above, page 21.) In 1870 the patent law was amended so as to expressly authorize the allowance not only of profits but also of damages in equity. In 1909 the same amendment was incorporated in Section 25 of the copyright act.

Under the construction which had theretofore been given to R. S., 4921, the damages and profits mentioned in that section are undoubtedly the damages and profits which are allowed in equity, damages only being allowed in case there is an excess of damages over profits. **If this was what this language meant in the patent law it certainly means the same thing in the copyright act.** Irrespective of what we find from the report of the committee in the copyright act of 1909, it must necessarily be held that that part of Section 25 which refers to damages and profits affords a remedy in equity, **because profits are allowed only in equity, because they had prior to the act of 1909 been allowed only in equity, and because from the very nature of things profits can only be calculated and allowed in equity upon an accounting.**

This demonstrates that the first remedy provided by subsection (b) of Section 25, is an equitable action similar to the equitable action under the patent laws for damages and profits.

It is equally certain from the authorities which we have cited that the action for the alternative remedy "such damages as to the court shall appear to be just" is an action at law. This is demonstrated by the case of Brady vs. Daly, 175 U. S., 148; 44 L. Ed., 109, cited above at page — and page —.

And from the facts that the first remedy is a remedy in equity which could never be granted unless equitable jurisdiction had already attached upon some other ground, and that the alternative remedy is an action at

law, it necessarily follows that it is not for the court, but for the copyright proprietor to determine which remedy he shall pursue. The court is not to determine for the copyright proprietor whether he shall sue at law or in equity. This is determined by the proprietor when he frames and files his petition.

Another matter which shows that it was the intention of Congress that the proprietor was to have the election between the two forms of remedy is pointed out by the report of the committee. In the second paragraph of the quotation from the report of the committee, given above at page —, the report states:

> "The third subdivision is new, and is intended to give adequate protection against the infringement of the new right of copyright given by subsection (c) of Section 1."

Section 1 in sub-section (c) grants to the copyright proprietor the exclusive right:

> "To deliver or authorize the delivery of the copyrighted work in public for profit if it be a lecture, sermon, address, or similar production."

Subdivision three of sub-section (b) of Section 25, a part of the schedule of prices for infringements is as follows:

> "In the case of a lecture, sermon, or address, fifty dollars for every infringing delivery."

The committee has stated that it was their purpose to give adequate protection to this new right. If the proprietor is not entitled to demand the alternative remedy under the restrictions of the minimum and maximum provisions, how did the committee assist the proprietor in protecting his rights. If his only guarantee is such damages as he may be able to prove by direct

evidence, he does not have the protection which undoubtedly the committee though was being guaranteed to him.

Another consideration shows the fallacy of the judgment in the District Court. From the authorities just cited, it is apparent that the first remedy consists not only in damages, but in damages and profits, the larger being granted. Nevertheless that court in the case at bar went ahead, acting clearly under the first remedy because it did not observe the restrictions upon the second remedy, and rendered judgment for nominal damages **without any accounting before the court or a master.** Of course, to this counsel for defendant will answer that we did not ask for an accounting, and when they make that answer they will demonstrate that the plaintiff was asking for and was entitled to, not the first remedy, but the alternative remedy with its benefits.

6. Plaintiff Elected to Pursue the Remedy at Law for 'Such Damages as to the Court shall Appear to be Just' and is Entitled to at Least the Minimum.

An examination of the bill of complaint or petition, whichever we may choose to call it, clearly shows that the plaintiff has elected to recover, in lieu of actual damages and profits, damages to be fixed by the court within the maximum and minimum provision. This is shown by the amount of damages asked for and the form of the prayer. The pertinent parts of the prayer are as follows:

> "And your orator further prays that the defendand may be restrained * * *; that the said defendant may be decreed to render an account of all of the said prints and pictorial illustrations which have been published, and of the said newspapers in which the same have been published, and to pay to the

> plaintiff in lieu of actual damages and profits, damages in the sum of thirty-five thousand ($35,000) dollars as provided by the act of Congress; * * *." (Record, page 6.)

This is certainly an election. We were limited to a recovery of five thousand dollars for each infringement after making this prayer. Could the plaintiff after making this prayer have changed position and insisted upon damages and an accounting of profits if it had developed that the latter would warrant a larger recovery. Certainly not **The reverse is also true. Having made this election we are entitled to the benefit of it.**

There is one decision by a District Court under Section 25 which is just the reverse of the present case, it being held that the plaintiff was bound by an election made by praying for damages and an accounting of profits. Huebsch vs. Crist Company, 209 Fed., 885, decided by the District Court, Northern District of New York, January 2, 1914.

The bill in this case prayed as follows:

> "For an 'account of the profits arising from the sale of said piratical leaflet as far as any profits have been made,' and that defendant be required to pay over to your orator such damages as your orator may have suffered due to the infringement as well as all profits which the defendant, the infringer, shall have made from the infringement, in accordance with the copyright law' and also costs, etc." (From the opinion, 209 Fed., 893.)

The court then goes on to consider the question of recovery and grants a reference for an accounting and refuses to fix damages itself, relying upon some of the cases which we have cited. The decision is made under Section 25, the court expressly holding that the new statute applied to the case although the copyright was secured prior to 1909.

"I think the complainant has made a case which entitled him to the relief prayed for, an accounting etc., and it will be referred to a master to take and state the account of profits and damages unless the parties agree. The damages, etc., cannot be large. The leaflet sold for 3 cents per copy; while the book sold for $1.60 per copy, and it cannot be inferred that the sale of a leaflet prevented a sale of a copy of the book. The complainant is also entitled to full costs, and a reasonable attorney's fee will be added on the coming in of the master's report. Section 40, Act of March 4, 1909. As this bill of complaint is framed, this court cannot substitute an arbitrary finding of damages and profits and fix the amount or impose penalties. Stevens vs. Gladding, 17 How., 447, 453, 15 L. Ed., 155; Callaghan v. Myers, 128 U. S., 617, 663, 9 Sup. Ct., 177, 32 L. Ed., 457; Root v. Railway Co., 105 U. S., 189, 193, 26 L. Ed., 795.

"In 9 Cyc., 959, it is said, citing cases:

" 'The usual mode of ascertaining profits is by reference to a master to take evidence and report, although they may be ascertained from affidavits filed by the defendant.'

"In Patterson v. Ogilvie Pub. Co. (C. C.), 119 Fed., 451:

" 'The usual practice is to enter an interlocutory decree providing for an injunction and then send the matter to a master to take proof of damages and profits. Upon the return of the master's report, a final decree disposes of the question of damages.'

"I think the provisions of Section 25 of the act of March 4, 1909 (35 Stat., 1075, c. 320 [U. S. Comp. St. Supp., 1911, p. 1472]), 'An act to amend and consolidate the acts respecting copyright,' apply in this case. It is immaterial, so far as the remedies provided by that act are concerned, that this copyright was obtained prior to the passage of that act. That section provides:

" 'That if any person shall infringe the copyright in any work protected under the copyright laws of the United States, such person shall be liable,' etc.

"It was competent for Congress to give additional or more severe or more drastic remedies for the infringement of copyrights theretofore granted. But, of course, the remedies would only apply in the case of infringements committed after the act of 1909 went into effect." (From the opinion, 209 Fed., 894.)

Our interpretation of the Copyright Law as to the minimum damages corresponds with the interpretation given in this case by the Circuit Court of Appeals. The court said (record p. 54):

"We see no escape from the application of the **$250 minimum** in a case like this. It is difficult to think of any reason why a newspaper reproduction of a copyrighted pen and ink drawing of a hat should not be classified with a newspaper reproduction of a copyrighted photograph of similar articles; but it is not, and these sketches here involved are not photographs,—though they might as well have been—and unless the word 'photograph' is restricted to its established meaning, no line can be drawn; hence the $50.00 photograph minimum cannot apply.

It seems to us the plain meaning of the language that Congress intended that the plaintiff should not recover less than $250 damages in any copyright infringement suit not based upon a newspaper reproduction of a photograph,—at least in any case where the actual damages fail to appear so clearly and so fully as to forbid resort to the 'in lieu' class. The necessary effect of the provision is to prohibit the award of merely nominal damages."

In Hendricks v. Ttomas Pub. 242 Fed. 37, the court held that

"Where obvious and substantial pecuniary injury has been caused, the court is authorized to estimate the damages **within the statutory limits**, without being bound by legal proof, as 'actual' means real, as opposed to nominal, or existent, without precluding the thought of change, while 'in lieu' means in place of the thing modified."

We have discussed at some length the question of minimum damages because notwithstanding the solicitors for defendants in error ask that the judgment of the Circuit Court of Appeals be sustained they devoted several pages of their brief to the discussion of their interpretation of section 25, the burden of which is that the minimum named in the act should not apply in this case.

Solicitors for defendant in error also discussed the subject of notice. In Hein v. Harris 183 Fed. 107 it is held that intent to infringe need not be shown. In Gross v. Van Dyke Gravure Co. 230 Fed. 412 it was held in an infringement case that an infringer who did not know that he was infringing was liable for damages resulting.

But The Dispatch Printing Company was not an ignorant or innocent infringer. In the opinion of the District Court in this case (page 12) is this language:

> "Each of the defendants exercised reasonable care to avoid intrenching on the rights of copyright holders, excepting that it would seem in **one,** and **possibly another publication.** The Dispatch Printing Company **should have taken notice that a pictorial illustration noted as copyrighted appeared in the Morehouse-Martens Company advertisement and should not therefore have published it in another person's advertisement.**"

SEVEN SEPARATE INFRINGEMENTS.

We contend that there were seven different infringements by the defendant in error.

We repeat our previous analysis of the evidence and admission upon this point.

It has been either admitted or found by two courts ~~that~~ That

(1) **Each of the six sketches** in question were **copyrighted,**

(2) That **each coyright** was a **separate** and **distinct** act by the L. A. Westermann Company,

(3) That **six separate and distinct copyright pictures** were published in the Columbus Dispatch on **six separate dates,**

(4) That **six of these publications** were each in a **separate issue** of said newspaper on a **day different** from the publication of any of the other copyrighted pictures, and

(5) That **one** of these copyrighted pictures or sketches **was published on two distinct dates**, namely, October 15th, and November 10th, and for two different Dispatch **advertisers**, and

(6) That the Columbus Dispatch in so printing and publishing each of these copyrighted pictures infringed upon the rights of the plaintiff.

The Circuit Court of Appeals took the view that "the conduct of the defendant in this case constituted a connected and fairly unitary invasion of the proprietor's rights." They discuss the case of a book or musical composition and also the use of a catalogue or cuts or prints illustrating the products of a furniture manufacturer. No one of these cases can be said to be comparable to that of a newspaper infringing in the manner in which the infringement occurred in the case under consideration. Westermann's sketches were not all of a single subject but of various subjects. The cuts were not a part of a single scheme or plan but covered a wide field, and the various pictures or sketches were copyrighted separately and any one of them could be sold and published independently of the others. The fact that all were sold to Morehouse was a **mere incident.** They might have been divided up and sold to **several** customers, each customer using pictures or sketches different from the others. In the case of a book the copyrighting of the separate chapters of a book would be the copyrighting of the different parts of the complete

entity. A chapter might be wholly incomplete when standing alone, having no value. Each one of the Westermann pictures stood alone as a product separately copyrighted and having its own intrinsic value. In the case of a catalogue all of the separate pictures or drawings are combined and published as a single production.

The Circuit Court of Appeals in discussing the question of whether there are seven separate infringements states that "the damages would have been irrationally increased. We believe Congress meant no such result." We fail to see the reason for this conclusion. To say that **seven separate publications** on as many different days of **separately copyrighted pictures** of the plaintiff and running through parts of **three calendar months** constituted a unitary invasion of plaintiff's rights, and a single infringement would mean that the law practically gave immunity to large newspapers in the use of such sketches and cuts, since the payment of $250.00 would be **no compensation** for the great damage thereby wrought to the copyrighted proprietor. If the Dispatch could publish six sketches or pictures and treat those acts as a single infringement there would be nothing to prevent the printing of a different Westermann sketch every day during the entire season, if there should be that many sketches made during the season, and treating them all as a single infringement. Nor is there anything to prevent them from continuously printing or publishing such cuts through a number of seasons and having them all treated as a single infringement.

If the Act of Congress in question had been in language such as that the literal meaning of it would have implied a penalty of $250.00 for each copy of the newspaper in which the copyrighted sketch or picture had

appeared then it might well be said that the damages would have been irrationally increased. But by giving the law the interpretation for which we contend hundreds of thousands of copies of a single issue of a newspaper may contain an infringed copyrighted picture but the proprietor would have but a single right of recovery. When the publication covers different dates and different copyrighted pictures come to be considered a wholly different situation arises.

Suppose that these copyrighted sketches or pictures had been owned by seven separate proprietors. Could anybody then be heard to say that there was not seven separate rights of action? Or suppose that this Westermann service had been used by seven separate newspaper publishing companies but they had all used the service for which Morehouse had contracted and it had all been used the same year, then could there be any question made but that the plaintiff would have a separate cause of action against each of the parties so infringing, notwithstanding the fact that the number of pictures published were the same as in this case. Or suppose that after the pictures or sketches had been copyrighted the copyright proprietor had sold the copyright of such sketch or picture to six different persons, could there be any question but that each of the six persons would have a separate right of action for such infringement? Or suppose further that after the publication by the defendant of the copyrighted sketches or pictures L. A. Westermann Company had sold each of said copyrights of said sketches or pictures, together with all rights of action for infringement on the same, to seven different persons, could there be any question but that each of such persons would have a right of action against the defendant?

Suppose that the Westermann Company had brought an action against the Dispatch Publishing Company on September 19th and before the 1st day of November of the same year had succeeded in having the case heard and disposed of and recovered the minimum of such infringement; then suppose that on the 15th day of November the Dispatch published another one of the Westermann pictures and the plaintiff instituted a new action for such publication, would the Dispatch Company be heard to plead the former judgment in bar? The Circuit Court of Appeals recognizes the force of this argument when it says that the plaintiff might be able to bring several suits simultaneously in different jurisdictions and thus escape consolidation, but that court said that there will be time to meet such a problem when it arises. The Circuit Court of Appeals says that the plaintiff united and tied together his six separately copyrighted cuts by uniting them in a season's service which he sold exclusively to Columbus for Morehouse. But there is nothing to show that this service was not also sold to other parties in cities other than Columbus where the Columbus Dispatch circulates and is read.

The Circuit Court of Appeals grounds its conclusion as to the number of infringements upon the rule as to interpretation of words and construction of language announced in Church v. United States, 143 U. S. 457. But in that case the court found that while the matter under consideration was within the letter of the statute yet it was not within the statute, because not within its spirit, nor within the intention of its makers. There is nothing in the case at bar which warrants either of those conclusions. The language is plain.

In U. S. v. Goldenberg 168 U. S. 102 this court says:

> "The primary and general rule of statutory construction is that the intent of the lawmaker is to be found in the language that he has used. He is presumed to know the meaning of words and the rules of grammar. The courts have no function of legislation, and simply seek to ascertain the will of the legislator. It is true there are cases in which the letter of the statute is not deemed controlling, **but the cases are few and exceptional**, and only arise when there are cogent reasons for believing that the letter does not fully and accurately disclose the intent. No mere omission, **no mere failure to provide for contingencies, which it may seem wise to have specifically provided for, justify any judicial addition to the language of the statute.**"

The language of the Coypright Act is clear and unequivocal. It provides for damages for the infringement of the copyrighted article. The form is singular, not plural, in each instance. Damages to be allowed are not for the infringements, nor for the series of infringements. Instead of it being clear that the legislative intent was different from the language used it is clear that the language expresses a reasonable intent, and that the spirit of the Act is in harmony with the language, and is just and fair.

We quote from the language of the Circuit Court of Appeals Eighth Circuit:

"When the language of a statute is plain and unequivocal, it is not permissible to search for another meaning, which may have existed in the minds of individual legislators, and, finding that meaning, to substitute it for the meaning expressed."

"The Circuit Court, in affirming the decision of the board of general appraisers, referred to the case of Church of Holy Trinity v. United States, 143 U. S. 457, **which was apparently pressed upon its attention as an**

authority for permitting courts to discard the language of a statute, and interpret its purpose by the supposed intention of the laws makers, gathered from general considerations of justice or expediency. That adjudication, according to our experience, has been invariably cited where the effort has been to induce this court to legislate, and substitute its own notions of what the law should be for the plainly expressed will of the legislative body. **We do not understand, however, that it sanctions any new rules of statutory interpretation.**"

In re Downing, 56 Fed. 474.

The Tennessee Supreme Court uses this language:

"Except in a very clear case, that which is within the letter of a statute will not be excluded from its operation as not being within its spirit."

State v. Phoenix Ins. Co., 92 Tenn. 420.

Chief Justice Marshall, in Sturgis v. Crowninshield, 4 Wheat. 202-3, said: "The spirit prevails over the plain letter of the statute **only** in cases in which the absurdity and injustice of applying the provision to the case would be **so monstrous that all mankind would, without hesitation, unite in rejecting the application.**"

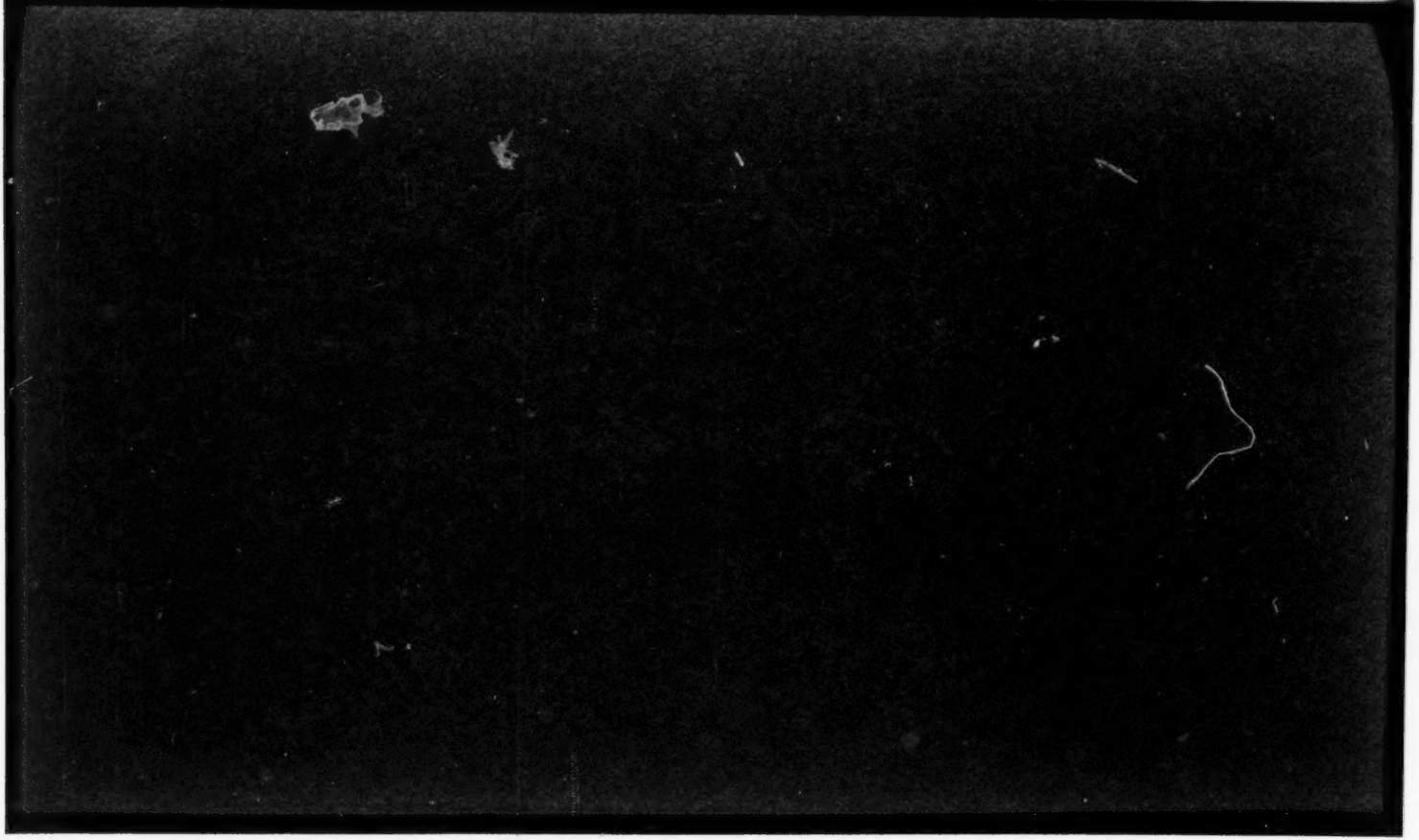
We ask for an interpretation which we believe will be consistent with the plain language of the Act as well as the evident intention of the lawmakers.

Respectfully submitted,

CURTIS C. WILLIAMS,

SIMEON NASH,

Solicitors for Plaintiff in Error.



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Supreme Court of the United States

OCTOBER TERM 1916.

No. 742

L. A. WESTERMANN COMPANY,
Plaintiff in Error,

vs.

THE DISPATCH PRINTING COMPANY,
Defendant in Error.

BRIEF ON BEHALF OF DEFENDANT IN ERROR.

I.

STATEMENT OF THE CASE.

This case is brought into this court by the plaintiff in error on a writ of certiorari from the United States Circuit Court of Appeals for the Sixth Circuit. (Transcript, pp. 59-60.)

It was begun originally by the plaintiff in error company against the defendant in error company in the District Court of the United States for the Southern District of Ohio to recover certain statutory penalties, or damages, for alleged infringement of certain copyright matter, under the copyright Act of March 4th, 1909. In addition to an injunction and related relief, the plaintiff in

error sought to recover thirty-five thousand dollars ($35,000) by virtue of that portion of Section 25 of the Copyright Act of March 4th, 1909, (Federal Statutes, Annotated, Supp. 1909, p. 87) which is as follows:

> "(b) To the copyright proprietor such damages as the copyright proprietor may have suffered * * * or in lieu of actual damages and profits, such damages as to the court shall appear to be just, and in assessing such damages the court may, in its discretion, allow the amounts hereinafter stated * * *, and such damages shall * * * not exceed the sum of five thousand dollars ($5000) nor be less than the sum of two hundred and fifty dollars ($250), and shall not be regarded as a penalty."

On the trial below it developed that the plaintiff in error was engaged in the business of designing woman's attire and in selling the right to others to use such designs in their advertising forms. The exclusive right, which is alleged as having been infringed, was given to The Morehouse-Martens Company, Columbus, Ohio, for that city and vicinity for a valuable consideration. Such company was not made a party defendant, though the defendant in error moved the court that that be done.

The District Court decreed the plaintiff below an injunction and nominal damages. It found and decreed that there were no actual damages to be accounted for. It adjudged to the complainant the amount of ten dollars ($10.00) for each of the seven infringements. In addition to this that court awarded an attorney's fee of twenty-five dollars ($25.00). (Transcript of Record, pp. 14, 15.) Complainant made a motion for a new trial, which was overruled. (Record, p. 15.) It prosecuted both error and appeal to the Court of Appeals for the Sixth Circuit. (Record, 16-17.)

On the hearing in the Circuit Court of Appeals the decree of the District Court was reversed and the cause remanded with instructions to enter a decree for plaintiff in error for two hundred fifty dollars ($250.00) damages and costs, and the attorney fee of $25.00 fixed by that court. (Record, p. 59.)

The defendant in error was content with the decrees in each of the courts and prosecuted no appeal or writ of error therefrom.

The specific assignment of error made by the plaintiff in error is that the Circuit Court of Appeals erred in not awarding the plaintiff in error a decree for at least two hundred fifty dollars ($250.00) for each infringement, it being its contention that the Court of Appeals could exercise no discretion in allowing an amount less than the minimum stated in the Copyright Act, above quoted.

II.

DISCUSSION OF THE OPINIONS OF THE DISTRICT COURT AND THE CIRCUIT COURT OF APPEALS.

Copies of the opinions of the District Court are found on pp. 10, 14; pp. 25, 26, Transcript of Record. The summary thereof shows that no attempt was made by the complainant below to prove any damages. There was no testimony of profits lost by the plaintiff in error or profits made by defendant in error. Therefore, neither actual damages or profits entered into the case.

It was found by the District Court that there was no evidence on which other than nominal damages could be based. (Record, p. 12.) Guilty knowledge or intent are

also absent. (Record, p. 12.) In the view of the District Court the ends of justice did not require a judgment in the cause for more than a nominal sum. There having been seven different dates of publication, that court allowed ten dollars ($10.00) for each publication, or an aggregate of seventy dollars ($70.00) plus the costs and an attorney fee of twenty-five dollars ($25.00). (Record, p. 3.)

The Circuit Court of Appeals (Record, pp. 51, 53) agreed with the District Court as to the evidence on damages and profits. It treated the question as one invoking "The proper measure of damages under Sec. 25 (of the Copyright Act) as applied to the facts of the case." (Record, p. 53.) But the Circuit Court of Appeals differed from the District Court in having found that there were seven different infringements and that court found that all the publications involved related to a single subject, viz., fashions for women's wear for a single season, and that the plaintiff below "had united and tied together all of his copyrighted cuts as completely as if it had published them only in one catalogue or one book." (Record, p. 58.) It therefore held that this was in substantial effect one right, and the technical violation of that right constituted but one infringement. The decree of the District Court was reversed and the cause remanded to enter a decree for the plaintiff below for two hundred fifty dollars ($250.00) damages, costs and the attorney fee fixed by that court.

The plaintiff in error here insists upon the reversal of the decree of the Circuit Court of Appeals and for such construction of the Copyright Act by which it should be permitted to recover an arbitrary amount of at least two hundred fifty dollars ($250.00) for each infringement, counting each publication as a separate infringement.

We need not be partisans of either opinion. Both are just from their respective views of the copyright law. They proceed upon the same line of reasoning—that as no profits or damages had been shown, it would not "appear to be just" to grant to the plaintiff a money judgment for more than one minimum recovery.

As the District Court said (Transcript, p. 12), "The law is not to be used oppressively;" and the Circuit Court of Appeals agrees therein when it is said that (Transcript, p. 57), "the damages would be irrationally increased."

This reasoning sounds in the conception of justice, made so prominent in the Act, that the amount which may be decreed "in lieu of actual damages and profits, as to the court shall appear to be just." So, it remains a question of construction for this court. Either theory of the lower courts may be rejected and the amount not increased, but yet the theory of the plaintiff be not accepted, because it is the one theory not consistent with justice as measured by the evidence in the case.

III.

DEFENDANT'S INTERPRETATION OF SECTION 25.

We contend that Section 25 was enacted by Congress for the purpose of providing:

1. Relief by way of injunction, and

2. Relief by way of damages which is declared to be not a penalty.

That in providing for a recovery of a sum within the prescribed limits, **in lieu** of actual damages, Congress did not mean to enact a penalty but recognizing the character of the **actual damage** done, provides, that when the actual damages are proven which cannot be measured in dollars

and cents, then the court may, in the exercise of its sound discretion, award a sum within the maximum and minimum limits. At the possible expense of repetition, we insist, that Congress, in enacting this law obviated the strict necessity of proving the exact amount of the damage without negativing the necessity for proof of some real damage done. To place any other construction on this section would be to make that which is recovered by virtue thereof a penalty, pure and simple.

What was the state of the law applicable to such facts before the enactment of the Copyright Act in question?

In New York City vs. Ransom, 23 Howard, 487, it was held that in an action for damages for the infringement of a patent right, the plaintiff must furnish some data by which the jury may estimate the actual damage. If he rests his case after merely proving an infringement of his patent, he may be entitled to nominal damages **but no more.**

The foregoing case is very much in point.

In Dobson vs. Hartford Carpet Company, 114 U. S., 439, and Coupe vs. Royer, 155 U. S., 565, it was held that, where there is no proof of substantial loss or injury to be compensated, but the law nevertheless recognizes a technical invasion of the plaintiff's rights, or a breach of the defendant's duty, **a trifling sum** may be awarded by way of nominal damages.

In Birdsall vs. Coolidge, 93 U. S., 64, it is held; actual or compensatory damages mean the same thing; that is, that the damages shall be the result of the injury **alleged** and **proved,** and that the amount awarded shall be precisely commensurate with the injury suffered, neither more or less, whether the injury be to the person or estate of the complaining party.

In the case of Rude et al., Admr., vs. Wescott et al., Exr., 130 U. S., 152, this court had before it the question of the measure of damages resulting from infringement of certain patents, and said:

"Actual damages **must be shown**, and by clear and definite proof to warrant a recovery for the infringement of the patent."

On page 167, supra, it was said:

> "Opinions not founded on knowledge were of no value. Conclusions from such opinion, are at best mere guesses. By the decision rendered, a settled rule of law was violated, that actual not speculative damages must be shown, and by clear and definite proof to warrant a recovery for the infringement of a patent. As was said long ago by this court, 'Actual damages must be calculated not imagined; an arithmetical calculation cannot be made without certain data on which to make it.'" (Citing cases.)

The foregoing authorities support the view that an award of **nominal** damages may be made when a right has been invaded or infringed and no damages **shown,** but actual damages must be supported by competent testimony.

The foregoing rule of the law, which is applicable as a rule of construction to Section 25, is sustained in Woodman vs. Lydyard-Peterson Co., 192 Fed., 67 (204 Fed., 921); the District Court said, at page 70 of the first cited opinion:

> "It is admitted that the defendant did not sell the maps. It made nothing at all out of them, and the complainant very properly waived all rights to an accounting in the matter of profits. The law allows the complainant in a case of this kind to recover damages.
>
> Prior to the Act of 1909, he had to prove his damages * * *

> The anomalous provision in this section is this: That the court may in lieu of actual damages and profits in its discretion allow such damages as shall appear to be just; yet it apparently requires such damages in this case to be $250. But it cannot be possible that, where the court is of the opinion that there are no damages at all, it still is bound to allow $250, and that, where the court is of the opinion that it would be a matter of injustice to allow even $1.00, it would be compelled by law to allow $250. Some other construction must be given to that provision. **I think it means that where the court is satisfied that there are substantial damages, but the evidence is incomplete or is insufficient, so that the court cannot determine just what the damages are, then it may allow them on that basis. But wherever the court is of the opinion that the damages cannot be more than $50 or $100 it should not allow $250.**"

The District Court in the instant case expressed approval of the foregoing opinion in the following language (Transcript, p. 3):

> "Judge Willard's decision in the Woodman case is quite satisfactory and I am content to follow closely in his footsteps."

The Circuit Court of Appeals' comment thereon is (Transcript, p. 55):

> "Perhaps this natural assumption tends to persuade that Congress did not intend to abolish mere nominal damages."

Our view is further sustained in the case of Cohn Company vs. Etchison Hat Company, 225 Federal, 135, 136. The United States District Court for the Eastern District of Virginia said, in construing Section 25 of the act aforesaid:

> "Whether this allowance of damages is discretionary or not is not entirely clear. The court is inclined to think that the interpretation of Section 25

of the Act leaves it within the discretion of the court to allow or refuse damages entirely."

In the case of S. E. Hendricks Co. vs. Thomas Publishing Co., 242 Fed., 37, the Circuit Court of Appeals of the second circuit, in construing the same section made use of the following language:

> "That the language of the section (25) of the Copyright Act relating to the assessment of damages and profits is somewhat obscure we have pointed out before. Mail & Express Company vs. Life Publishing Company, 192 Federal, at page 901 * * *
>
> As is well known, the language of this section is a growth of years, resulting from the efforts of Congress to avoid that strictness of construction which historically attaches to any statute inflicting penalties, and to confer upon an injured copyright owner some pecuniary source, even when the rules of law rendered it difficult if not impossible as it often is, to prove damages or discover profits * * *.
>
> There may be circumstances under which discretion revolts from any award, by reason of the trivial nature of the thing copyrighted, or the slight success of attempted infringement: * * *. We entertain no doubt that it was the intention of Congress,
>
> 1. To preserve the right of the plaintiff to pursue damages and profits by the historic methods of equity if he chooses so to do; and
>
> 2. To give the new right of application to the court for such damages as shall, 'appear to be just' in lieu of actual damages."

It thus appears that by whatever court the section in question has been construed, it has been uniformly held that no construction would be adopted sanctioning the recovery of even the minimum amount provided in the Act, unless damages had been shown by the testimony to have been sustained and in such amount that would lead the court to say that an award of at least the minimum, $250, would be just.

IV.

COUNSEL FEES NOT REVIEWABLE.

It is provided by Section 40 of the Act in question as follows:

> "That in all actions, suits, or proceedings under this Act, except when brought by or against the United States or any officer thereof, full costs shall be allowed, and the court may award to the prevailing party a reasonable attorney fee as part of the costs."

Under this authority the District Court adjudged an attorney's fee to the plaintiff in error of $25 (Transcript, pages 14 and 15). The attorney fee remained the same in the judgment of the Circuit Court of Appeals (Transcript, page 59). As to the amount of the attorney fees thus allowed by both the lower courts, there can be no review in this court unless there has been an abuse of discretion, which is not claimed by the plaintiff.

> "Counsel's fee is a matter peculiarly within the discretion of the court awarding the same, because that court can and always does proceed upon its own rule of the value and extent of the professional services rendered."

Hence, the allowance is not reviewable unless there is an abuse of discretion shown.

S. E. Hendricks Co. vs. Thomas Publishing Co., 242 Fed., 42;
Central Trust Company vs. U. S., etc., Co., 233 Fed., 420;
147 C. C. A., 356.

V.

NO EVIDENCE OF NOTICE OF COPYRIGHT.

It was commented upon by both the lower courts that no guilty knowledge was shown against the defendant in error that the pictorial illustrations were copyrighted.

The law in question contains the following provision:

> "Section 20: That where the copyright proprietor has sought to comply with the provisions of this Act with respect to notice, the omission by accident or mistake of the prescribed notice from a particular copy or copies shall not invalidate the copyright or prevent recovery for infringement against any person who, **after actual notice of the copyright,** begins an undertaking to infringe it, **but shall prevent the recovery of damages against an innocent infringer who has been misled by the omission of the notice;** and in a suit for infringement no permanent injunction shall be had unless the copyright proprietor shall reimburse to the innocent infringer his reasonable outlay, innocently incurred, if the court, in its discretion, shall so direct."

Section 18 of the Act provides what shall constitute notice of copyright, which shall consist of the word "copyright," or the abbreviation "copr." accompanied by the name of the proprietor. In the case of copies of certain works the notice may consist of the letter "C" enclosed within a circle accompanied by the initials, monogram, mark or symbol of the copyright proprietor. It is thus apparent that each particular illustration must contain upon some portion of it a mark indicating that the same has been copyrighted, and if it does not clearly appear thereon, and a party has been misled by the omission thereof, and has published the same, he becomes an innocent infringer in view thereof.

The record contains the following evidence thereon:

(Transcript, page 35), George E. Fowler was the business manager of The Dispatch Printing Company; that at the time the cuts were used as advertisements in the defendant's newspaper, he did not know that the cuts were copyrighted, and that so far as the witness knew no one else connected with the defendant company knew that they were copyrighted; that the instructions of the defendant company to the advertising department, and other employes of the defendant company, are that they should not use any cuts that are marked copyrighted or any cuts that they may think are copyrighted; that the witness had never knowingly used any cut that was copyrighted, nor so far as the witness knew had the defendant company done so * * * that the instructions of the witness to advertising solicitors were that in case of any doubt for any reason, it should be brought to the witness for a decision; that none of the seven advertisements attached as exhibits to the bill of complaint were ever brought to the witness or anyone else prior to publication. (Transcript, page 36): That the clippings, from which the cuts used in printed advertisements, attached as exhibits to the bill of complaint, were never submitted to the witness.

The witness, Harvey R. Young, on the same point, testified as follows:

(Transcript, page 37): That all the large stores which had advertising managers usually subscribed for newspapers from all over the United States, which assisted the advertising managers of stores in preparing copies for advertisements, not only in wording but in illustrations; that the advertising writers of these stores look over the forms and pictures in these papers and if they find a good advertisement or a good illustration, he some-

times uses it or a portion of it; that if the cut or illustration showed "copyright," and the defendant's advertising solicitors knew this, the solicitor would refuse to use it and tell the party that it was copyrighted and he could not use it; that these were the instructions to the solicitors; that the witness had examined all the exhibits attached to the bill of complaint in this case and that one of these illustrations which was used by the Walter J. Dwyer Company was furnished the witness personally by a Miss Murphy who had charge of the advertising for that company; that the defendant company used this illustration in its paper but that it had no copyright mark on it; that it was not marked copyrighted when Miss Murphy gave it to the witness, but that the witness could not say anything about its condition before she gave it to him; that the witness did not know that the pictures were copyrighted until this case was filed in this court.

The witness, J. M. Mead, on the same subject, testified as follows (Transcript, page 38): That he had been advertising solicitor for the defendant two years and four months; that he used the same method for soliciting advertisement from customers as the other solicitors; that the smaller advertisers sometimes needed a little help in writing their copy or in securing illustrations and that he sometimes submitted to advertisers articles and clipings from foreign papers; that witness had not to his knowledge used any illustrations which were copyrighted; and that he had always been instructed to be very careful about using copyrighted matter and that he had always looked at each clipping to see that there was no copyright mark thereon.

The witness, Thomas C. Roberts, on the same point, testified as follows (Transcript, page 39): That he had

never used any Westermann illustrations, knowing them to be copyrighted; that with the permission of The Columbus Citizen, he had used some copyrighted illustrations but that this was the only instance in which he had used any.

The foregoing evidence justified the lower courts in commenting upon the lack of actual notice or guilty knowledge on the part of the defendant that the illustrations had been copyrighted.

Section 20 of the Act has been construed in the following cases, and the view is sustained that a lack of notice prevents recovery of damages against an innocent infringer:

Cohn Company vs. Etchison Hat Company, 225 Fed., 136;
Straus vs. Penn Printing & Publishing Co., 220 Fed., 977;
Huebsch vs. Arthur H. Crist Co., 209 Fed., 889.

We contend, that by the language of the Act in question the rule announced by this court in cases that are similar in principle should here be adopted, that is, that recovery can only be had in cases coming strictly within the terms of the Act. Where the testimony shows that the publications were not "knowingly made" the damages or penalty should not be applied.

United States of America vs. Northern Pacific Ry. Co., 242 U. S., 190.

Indeed it would seem that should the construction be adopted as contended for by plaintiff in error, the Act would violate the "due process" provision of the constitution, in that an excessive penalty would be a denial of due process of law as it would compel one to pay dam-

ages to another where no actual damage has been sustained, and not as a penalty.

State of Washington vs. Crawford, 46 L. R. A. (N. S.) 1039;
Ex Parte Young, 209 U. S., 123;
Wadley Southern Ry. Co. vs. State of Georgia, 235 U. S., 651.

VI.

EFFECT OF PLAINTIFF IN ERROR'S CONTRACT WITH EXCLUSIVE LICENSEE.

The testimony of Edward R. Parsons **inter alia** shows that he was the manager of the advertising department of The Morehouse-Martens Company, Columbus merchants, on behalf of that company he made a contract with the plaintiff in error, covering the time included in this action by which the merchant company was given the exclusive right to use the illustrations in question in Columbus and vicinity. The Morehouse-Martens Company thereby had an exclusive license to use the illustrations. Nothing contained in the evidence shows any complaint on the part of The Morehouse-Martens Company, the licensee, for any damages sustained by it. It is not seeking to recover against the defendant in error. Upon the trial in the District Court it was moved by the defendant in error to join the licensee as a plaintiff or to dismiss. The Court of Appeals in commenting upon this (Transcript, 53) said it saw no reason for considering the question on its own motion, in the absence of any complaint from the defendant in error. It expressed the view that it would be open to that court to consider such issue **because it was involved in any judgment for the plaintiff.**

We contend that this is involved in the plaintiff's right to recover and especially in its right to recover more than nominal damages. When it appears in the testimony that the contract made with The Morehouse-Martens Company was fully performed by that company and the consideration paid to plaintiff thereunder without any diminution thereof or damages claimed by the licensee, it, the plaintiff company, was not damaged other than could be said to be a technical violation of its copyright.

As we have argued heretofore, a technical violation, independent of evidence sustaining actual damages, merely carries nominal damages, costs and injunctive relief. Under these circumstances if any damages were sustained, which is not shown, they could not in equity be claimed by the licensor, the plaintiff company.

In the case of Bredin vs. Solmson, 145 Fed., 944, Morris, District Judge, said:

> "A decree in favor of the complainants for profits would be to place them in a better condition by reason of the infringement than they would have been had there not been the infringement. It has been held that suits in equity for the recovery of profits must be brought by the owner of the patent right and the exclusive licensees suing together as joint complainants."

In the case of National Weatherstrip Co. vs. Bredin, 186 Fed., 480 (C. C. A.), it is said:

> "In a suit for infringement by the joint owners of a patent, profits and damages which inure to the benefit of one of the complainants only as a licensee, are not recoverable where no foundation for such recovery is laid by the pleadings, but complainants sue as joint owners only."

In Brookfield vs. Novelty Glass Co., 170 Federal, 960 (C. C. A.), the facts disclosed that an individual owner

of a patent sued for its infringement for himself alone. The question arose as to whether he could recover any part of the damages accruing to the licensee. The court said (p. 962):

> "If anything by way of damages is to be recovered on its account (the Glass Company) there should have been something in the bill to indicate, if that were indeed the case, that it was prosecuted in part on its behalf; and that, without this, the owner of the patent, proceeding to all intents and purposes for himself alone, is to be confined to the damages which he himself has received, of which those of his licensee is not a part."

The record nowhere discloses any damages sustained by the plaintiff company.

There is such analogy between the actions under the patent law and actions under the copyright law that like rules of practice should be applied in both classes of cases; **Scribner vs. Straus**, 130 Fed., 389.

The court will not be misled by the exhibits contained in the record, which are in most of the instances plainly marked "Copyrighted," but are not exact reproductions of the illustrations innocently used by the defendant company. The exhibits are reproductions, including the copyright marks, of the original on file with the Register of Copyrights, but are not copies of those taken from the defendant's publications. This is clearly shown by the testimony of the four witnesses heretofore quoted.

VII.

BRADY v. DALY, 175 U. S., 146, DISCUSSED.

Not having the benefit of the brief of the plaintiff in error at the time of preparing this brief, we can only judge the present contention of the plaintiff in error by that made in the courts below. There the contention was made that the instant case was ruled by the opinion of this court in Brady vs. Daly, 175 U. S., 146. Our contention is that the opinion in that case is not decisive here. It was brought under favor of Sec. 4966, R. S. U. S., and decided in 1899. The Copyright Act in question was adopted in 1909.

The Daly case was for the violation of a dramatic copyright to recover damages therefor, in which upon the first hearing in the District Court the court awarded judgment for the defendant, refusing the plaintiff any recovery for damages.

Subsequently upon application to that court the cause was opened and testimony introduced. The testimony bore upon the number of times the drama had been produced by the defendant with a certain scene therein which constituted the infringement, and upon the evidence thus introduced a money judgment was rendered for plaintiff with costs. The judgment included the minimum amount of $50 for each performance in which the infringed matter was used, as provided by Sec. 4966, R. S.

To show that the Daly case cannot here be considered as a precedent to be followed, the difference in the facts and the law should be noted. In the instant case the evi-

dence on the question of damage, (Transcript, p. 31) is as follows, from the testimony of L. A. Westermann:

> "Q. Is it possible for you to measure in dollars and cents, or in money, the damage you have sustained by reason of these infringements of copyrights? A. No.
>
> * * * * * * * * *
>
> Q. Why? A. Because the costs of publication cannot—because it cannot be proportioned in respect to single illustrations."

This is an admission of no evidence of actual damages. In the Daly case the finding was **based upon the evidence.**

Section 4966, R. S., permitted an arbitrary statutory award of $50 for each performance. The present copyright act provides that the infringer be paid such damages **as he may have suffered.** Damages must be proven; they are actual damages, or in lieu of actual damages, such damages as to the court shall appear to be just.

Since the present act does not automatically create damages any assumption of the existence of the same, without competent and sufficient proof is in direct contravention of it and **ipso facto,** renders that which is awarded, a penalty, contrary to the express language of the act. The radical changes in the theretofore existing law made by the present act are

(a) Lack of notice makes a defense.

(b) Recovery of damages for infringement is made possible in a civil action.

(c) Drastic provision for the punishment of wilful infringement is provided inasmuch as the wrong-doer may be fined, subjected to penalty or imprisonment and the copyrighted matter seized and destroyed.

(d) The rule of evidence as to damages is made **statutory.**

There are other distinct changes made in the act as follows: By the present Act there is a discretion in the court allowed independent of the maximum and minimum. There is a definition of an innocent infringer; there is statutory recognition that such innocent infringer may be entitled to all his reasonable outlay and in many other respects changes are noted that were not contained in Section 4966, R. S.

Further analysis of the present Act (Section 25) shows that the court should have a broad discretion, irrespective of minimum and maximum amounts, in giving judgment. In the instant case, may the plaintiff be awarded $5000 while in the instance of a copyrighted dramatic or musical work by motion pictures **the entire sum of such damages recovered by the copyright proprietor, shall not exceed $5000?** The latter instance presents the possibility, according to plaintiff's contention, of a valuable dramatic or musical work being infringed by a maker of motion pictures and **but one recovery permitted as an entire sum,** while in the instant case a series of recoveries are claimed for each of the separate illustrations infringed.

Evidently the possibility of great injustice being done under a statute irrevocably fixing arbitrary amounts led Congress to vest in the court hearing the case a broad discretion as to the justice of allowing any damages.

The judgment of the Circuit Court of Appeals should be sustained.

Respectfully submitted,

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